Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON
P0L 1N0

October 14, 2012

Ms. Kirstin Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: 2102 IRM Rate Application EB-2011-0172

Dear Ms. Walli:

Please find enclosed the application and evidence (the "Application") submitted by Hearst Power Distribution Company Limited ("Hearst Power") for new rates under Third Generation Incentive Regulation Mechanism, effective May 1, 2012.

This document is being filed pursuant to the Board's e-Filing Services.

Yours Truly,

Steven Blier
General Manager

HEARST POWER DISTRIBUTION COMPANY Limited

2012 IRM RATE APPLICATION

Rates Effective: May 1, 2012

EB-2011-0172

Submitted on: October 14, 2012

Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON
P0L 1N0

Exhibit 1

2012 IRM RATE APPLICATION

Exhibit 1

Tab 1 of 3

Administration

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Legal Application

ONTARIO ENERGY BOARD
IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O.1998, c.15 (Sched. B), as amended;

AND IN THE MATTER OF an application by Hearst Power Distribution Company Limited for an Order or Orders pursuant to the *Ontario Energy Board Act, 1998* for 2012 electricity distribution rates and related matters.

1. Hearst Power Distribution Company Limited ("Hearst Power" or "the Applicant") distributes electricity to most inhabitants of the Town of Hearst as at March 1, 1996, pursuant to a distribution license (ED-2002-0533) issued by the Ontario Energy Board (the "Board") and charges Board-authorized rates for the distribution service it provides.

2. Pursuant to section 78 of the Ontario Energy Board Act, 1998, Hearst Power seeks an Order or Orders of the Board establishing distribution rates and specific service charges effective May 1, 2012.

3. This application (the "Application") is prepared in accordance with, among other Board guidelines and directions, the Update to Chapter 3 of the Board's Filing Requirements for Transmission and Distribution Applications, dated June 22, 2011; Revision 3.0 of the Guideline G-2008-0001 – Electricity Distribution Retail Transmission Service Rates, dated June 22, 2011; and is supported by written evidence that may be amended from time to time, prior to the Board's final decision on this Application.

4. Hearst Power has used the applicable Board-issued Excel models, such models having been subject to subsequent corrections and updates. The applicable models are:
    i. 2012 IRM3 Rate Generator;
    ii. 2012 Revenue-to-Cost Ratio Workform
    iii. 2012 IRM3 Tax Sharing Workform; and
    iv. 2012 RTSR Adjustment Workform.

5. Hearst Power has used the applicable Elenchus prepared Excel model. The applicable models is:
    i. ED Rate Generator;

6. Hearst Power applies for Board approval for the following matters:
    - 2012 distribution rates based on 2011 rates adjusted for a price cap adjustment;
    - A revenue-to-cost ratio adjustment as required by OEB decision and Order (EB-2008-0248)
    - transfer of immaterial refund amount of shared tax savings to a deferral account to be specified by the Board.
    - a Lost Revenue Adjustment Mechanism rate rider to recover $33,962.36
    - adjusted Retail Transmission Service Rates;
    - the disposition of the balances of qualifying Group 1 variance and deferral accounts as at December 31, 2010 in a rate rider effective for four years ending April 30, 2016;
    - disposition of the April 30, 2011 balances of USoA 1521 Special Purpose Charge Assessment Variance Account; and
    - disposition of the balances of USoA 1562 Deferred PIL's as at April 30, 2006;

7. Hearst Power has determined that for this application the following bill impacts for purposes of the Boards directed notice:

Summary Of Bill Impacts

	Delivery Bill Impact %	Total Bill Impact $'s	Total Bill Impact %
Residential	-13.4%	-4.13	-4.1%
General Service Less Than 50 kW	-16.9%	-8.37	-3.5%

Statement of Publication

As the Board requires a notice to be published Hearst Power confirms that Hearst Power's notice will be appearing in the following publication:

Northern Times Limited	Journal Le Nord
51, Riverside Drive	813 Georges Street
Kapuskasing, Ontario	Hearst, Ontario
P5N 1A7	P0L 1N0

Hearst Power is required to pay for the publication of its notice.

Hearst Power has been advised the circulation numbers of 3000 for French newspaper and 80 for the English newspaper.

Application Contact Information

The following are the names and addresses of Hearst Power's authorized representative and its counsel:

(a) authorized representative:

Mr. Steven Blier
General Manager
Hearst Power Distribution Company Limited

Address for personal service
and mailing address: 925 Alexandra Street
P.O. Bag 5000
Hearst, ON
P0L 1N0

Telephone: (705) 372-2815
Facsimile: (705) 362-5902
E-mail sblier@hearstpower.com

Manager's Summary

Hearst Power is applying for distribution rates pursuant to a Third Generation Incentive Regulation Mechanism ("3rd GIRM") application (this "Application") to set distribution rates and other charges, to be effective May 1, 2012.

Hearst Power has completed the 2012 Rate Generator model provided by the Ontario Energy Board (the "OEB" or the "Board"). This Application has been prepared in accordance with Revision 3.0 of Chapter 3 of the Board's Filing Requirements for Transmission and Distribution Applications (the "Filing Requirements") dated June 22, 2011 including the key OEB reference documents listed therein and other guidelines and directions from the Board.

This Manager's Summary covers the following topics:

1. Relief Sought in This Application;
2. Matters Addressed in This Filing; and
3. Other Matters;

1. Relief Sought in This Application

Hearst Power seeks Board approval for the following:

2012 distribution rates based on 2011 rates adjusted for a price cap adjustment.

This is detailed in Exhibit 1, Tab 2, Schedule 1 of this application.

This is included on Sheet "17. GDP-IPI – X" of the 2012 IRM Rate Generator.

A revenue-to-cost ratio adjustment as required by OEB Decision and Order (EB-2008-0248)

This is detailed in Exhibit 1, Tab 2, Schedule 4 of this application.

This is included on Sheet "17. GDP-IPI – X

Transfer of immaterial refund amount of shared tax savings to a deferral account to be specified by the Board.

This is detailed in Exhibit 1, Tab 2, Schedule 5 of this application.

This is included not included in the 2012 IRM Rate Generator.

This is calculated using the 2012 Shared Tax Savings Workform shown in PDF format in Exhibit 2, Tab 1, Schedule 1, Appendix 3

Excel model 2012 Shared Tax Savings Workform submitted separately.

A Lost Revenue Adjustment Mechanism rate rider to recover $33,962.36

This is detailed in Exhibit 1, Tab 2, Schedule 6 of this application.

This is included on Sheet "14. Proposed Rate_Riders" of the 2012 IRM Rate Generator.

A third party report prepared by Elenchus is included in Exhibit 1, Tab 2, Schedule 6 Attachment 1 of this application.

Adjusted Retail Transmission Service Rates;

This is detailed in Exhibit 1, Tab 2, Schedule 7 of this application.

This is included on Sheet "15. Proposed RTSR-Network" and Sheet "16. Proposed RTSR-Connection" of the 2012 IRM Rate Generator.

This is calculated using the 2012 RTSR Adjustment Workform shown in PDF format in Exhibit 2, Tab 1, Schedule 1, Appendix 2

Excel model 2012 RTSR Adjustment Workform submitted separately.

Disposition of the balances of qualifying Group 1 variance and deferral accounts as at December 31, 2010;

This is detailed in Exhibit 1, Tab 3, Schedule 1 of this application.

Disposition of the April 30, 2011 balances of USoA 1521 Special Purpose Charge Assessment Variance Account to a deferral account to be specified by the Board.

This is detailed in Exhibit 1, Tab 3, Schedule 2 of this application.

Disposition of the balances of USoA 1562 Deferred PIL's as at April 30, 2006

This is detailed in Exhibit 1, Tab 3, Schedule 3 of this application.

2. Matters Addressed in This Filing

Hearst Power addresses the following items in this filing:

Current EDR Tariff Sheet as Proposed to the Board

For purposes of completion of this application the current Tariff sheet has been used in the 2012 IRM Rate Generator for rate adjustments and bill impact calculations.

This is detailed in Exhibit 1, Tab 1, Schedule 6, Attachment 1 of this application.

This is included on the following sheets of the 2012 IRM Rate Generator":

Sheet "4. Current MFC";
Sheet "5. Current DVR";
Sheet "6. Current Rate_Riders";
Sheet "7. Current RTSR-Network"; and
Sheet "8. Current RTSR-Connection".

The Smart Meter Funding Adder

Hearst Power's Smart Meter Funding Adder of $2.50 expires as of April 30, 2012. Accordingly, no Smart Meter Rate adders are proposed as part of the current IRM application.

Hearst Power plans to file an application with the Board for final disposition in 2012.

This is detailed in Exhibit 1, Tab 2, Schedule 8 of this application.

This is not included in the 2012 IRM Rate Generator.

Proposed 2012 Tariff of Rates and Charges

This is detailed in Exhibit 1, Tab 1, Schedule 7, Attachment 1 of this application.

Bill Impacts

Hearst Power proposes that the following bill impacts be used for notice purposes.

Summary Of Bill Impacts

	Delivery Bill Impact %	Total Bill Impact $'s	Total Bill Impact %
Residential	-13.4%	-4.13	-4.1%
General Service Less Than 50 kW	-16.9%	-8.37	-3.5%

This is detailed in Exhibit 1, Tab 1, Schedule 8, of this application.

Detailed calculations per the OEB IRM Rate Generator can be found in Exhibit 1, Tab 1, Schedule 8, Attachment 1 of this application.

Detailed calculations per the Elenchus ED Rate Generator can be found in Exhibit 1, Tab 1, Schedule 8, Attachment 2 of this application.

3. Other Matters

Hearst Power does not propose changes in the following matters:

Distribution Loss Factors, Transformer Allowance for Ownership, Specific Service Charges and Retail Service Charges

This is included on the following sheets of the 2012 IRM Rate Generator":

Sheet "18. LF - Current and Proposed";

Sheet" 19. Other Charges"; and
Sheet" 20. 2012 Final Tariff".

microFIT Generator Rate

In EB-2009-0326, the Board directed all distributors to establish a separate service classification for microFIT generators as of September 21, 2009,. A province-wide uniform fixed monthly service charge applicable to microFIT generator accounts was set by the Board at $5.25. Hearst Power continues to apply this monthly service charge.

This is included on the following sheets of the 2012 IRM Rate Generator":
Sheet" 20. 2012 Final Tariff".

Supporting Documentation

Attachment 1 of 6

Current Tariff Sheet

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	9.00
Smart Meter Funding Adder	$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.30
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	0.24
Distribution Volumetric Rate	$/kWh	0.0156
Low Voltage Service Rate	$/kWh	0.0007
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0043)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kWh	0.0009
Retail Transmission Rate – Network Service Rate	$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0044

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	19.50
Smart Meter Funding Adder	$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.54
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	2.24
Distribution Volumetric Rate	$/kWh	0.0066
Low Voltage Service Rate	$/kWh	0.0006
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0040)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0040

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

GENERAL SERVICE 50 to 1,499 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1500 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	66.00
Smart Meter Funding Adder	$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	5.35
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	5.63
Distribution Volumetric Rate	$/kW	2.7945
Low Voltage Service Rate	$/kW	0.2270
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(1.3889)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kW	0.0079
Retail Transmission Rate – Network Service Rate	$/kW	1.9563
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.5861

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

INTERMEDIATE USERS SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 1500 kW but less than 5000 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	220.00
Smart Meter Funding Adder	$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	26.28
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	25.06
Distribution Volumetric Rate	$/kW	1.0077
Low Voltage Service Rate	$/kW	0.2677
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(1.2268)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kW	0.0671
Retail Transmission Rate – Network Service Rate	$/kW	2.1880
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.8708

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	7.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.16
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	0.46
Distribution Volumetric Rate	$/kW	3.0778
Low Voltage Service Rate	$/kW	0.1791
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(5.5214)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kW	0.2111
Retail Transmission Rate – Network Service Rate	$/kW	1.4829
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2404

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	5.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.02
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	0.69
Distribution Volumetric Rate	$/kW	1.6027
Low Voltage Service Rate	$/kW	0.1755
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(3.1332)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kW	0.0772
Retail Transmission Rate – Network Service Rate	$/kW	1.4753
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2151

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$	(0.45)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Arrears Certificate	$	15.00
Easement Letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned Cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – no disconnection	$	30.00
Disconnect/Reconnect at Meter - during Regular Hours	$	40.00
Disconnect/Reconnect at Meter - after Regular Hours	$	time and materials
Install/Remove load control device – during regular hours	$	40.00
Temporary service install and remove – overhead – no transformer	$	time and materials
Temporary service install and remove – underground – no transformer	$	time and materials
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0460
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0356
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Attachment 2 of 6

Revenue Requirement Workform ("RRWF")

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

		Data Input					(1)
		Application		Adjustments		Per Board Decision	
1	**Rate Base**						
	Gross Fixed Assets (average)	$3,873,122	(4)			$3,873,122	
	Accumulated Depreciation (average)	($3,053,718)	(5)			($3,053,718)	
	Allowance for Working Capital:						
	Controllable Expenses	$923,677	(6)			$923,677	
	Cost of Power	$6,899,032				$6,899,032	
	Working Capital Rate (%)	15.00%				15.00%	
2	**Utility Income**						
	Operating Revenues:						
	Distribution Revenue at Current Rates	$752,831					
	Distribution Revenue at Proposed Rates	$1,112,844					
	Other Revenue:						
	Specific Service Charges	$32,170					
	Late Payment Charges	$13,120					
	Other Distribution Revenue	$7,764					
	Other Income and Deductions	$15,853					
	Operating Expenses:						
	OM+A Expenses	$923,677				$923,677	
	Depreciation/Amortization	$108,336				$108,336	
	Property taxes	$ -				$0	
	Capital taxes						
	Other expenses						
3	**Taxes/PILs**						
	Taxable Income:						
	Adjustments required to arrive at taxable income	($20,214)	(3)				
	Utility Income Taxes and Rates:						
	Income taxes (not grossed up)	$9,329					
	Income taxes (grossed up)	$11,106					
	Capital Taxes						
	Federal tax (%)	11.00%					
	Provincial tax (%)	5.00%					
	Income Tax Credits	($7,041)					
4	**Capitalization/Cost of Capital**						
	Capital Structure:						
	Long-term debt Capitalization Ratio (%)	56.0%					
	Short-term debt Capitalization Ratio (%)	4.0%	(2)				(2)
	Common Equity Capitalization Ratio (%)	40.0%					
	Prefered Shares Capitalization Ratio (%)						
						Capital Structure must total 100%	
	Cost of Capital						
	Long-term debt Cost Rate (%)	5.87%					
	Short-term debt Cost Rate (%)	2.07%					
	Common Equity Cost Rate (%)	9.85%					
	Prefered Shares Cost Rate (%)						

Notes:

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)
(2) 4.0% unless an Applicant has proposed or been approved for another amount.
(3) Net of addbacks and deductions to arrive at taxable income.
(4) Average of Gross Fixed Assets at beginning and end of the Test Year
(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

Rate Base

Line No.	Particulars		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	$3,873,122	$ -	$3,873,122
2	Accumulated Depreciation (average)	(3)	($3,053,718)	$ -	($3,053,718)
3	Net Fixed Assets (average)	(3)	$819,404	$ -	$819,404
4	Allowance for Working Capital	(1)	$1,173,406	$ -	$1,173,406
5	**Total Rate Base**		$1,992,810	$ -	$1,992,810

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		$923,677	$ -	$923,677
7	Cost of Power		$6,899,032	$ -	$6,899,032
8	Working Capital Base		$7,822,709	$ -	$7,822,709
9	Working Capital Rate %	(2)	15.00%		15.00%
10	Working Capital Allowance		$1,173,406	$ -	$1,173,406

Notes

(2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

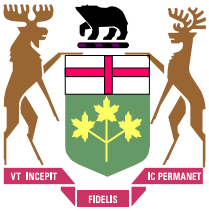
Ontario

			Utility income		
Line No.	Particulars		Application	Adjustments	Per Board Decision
	Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)		$1,112,844	$ -	$1,112,844
2	Other Revenue	(1)	$68,907	$ -	$68,907
3	Total Operating Revenues		$1,181,751	$ -	$1,181,751
	Operating Expenses:				
4	OM+A Expenses		$923,677	$ -	$923,677
5	Depreciation/Amortization		$108,336	$ -	$108,336
6	Property taxes		$ -	$ -	$ -
7	Capital taxes		$ -	$ -	$ -
8	Other expense		$ -	$ -	$ -
9	Subtotal		$1,032,013	$ -	$1,032,013
10	Deemed Interest Expense		$67,158	$ -	$67,158
11	Total Expenses (lines 4 to 10)		$1,099,171	$ -	$1,099,171
12	**Utility income before income taxes**		$82,580	$ -	$82,580
13	Income taxes (grossed-up)		$11,106	$ -	$11,106
14	**Utility net income**		$71,474	$ -	$71,474

Notes

(1) **Other Revenues / Revenue Offsets**

Specific Service Charges	$32,170		$32,170
Late Payment Charges	$13,120		$13,120
Other Distribution Revenue	$7,764		$7,764
Other Income and Deductions	$15,853		$15,853
Total Revenue Offsets	$68,907		$68,907



Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
	Determination of Taxable Income		
1	Utility net income	$78,517	$78,517
2	Adjustments required to arrive at taxable utility income	($20,214)	($20,214)
3	Taxable income	$58,303	$58,303
	Calculation of Utility income Taxes		
4	Income taxes	$9,329	$9,329
5	Capital taxes	$ -	$ -
6	Total taxes	$9,329	$9,329
7	Gross-up of Income Taxes	$1,777	$1,777
8	Grossed-up Income Taxes	$11,106	$11,106
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$11,106	$11,106
10	Other tax Credits	($7,041)	($7,041)
	Tax Rates		
11	Federal tax (%)	11.00%	11.00%
12	Provincial tax (%)	5.00%	5.00%
13	Total tax rate (%)	16.00%	16.00%

Notes

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Application				
	Debt				
1	Long-term Debt	56.00%	$1,115,974	5.87%	$65,508
2	Short-term Debt	4.00%	$79,712	2.07%	$1,650
3	**Total Debt**	60.00%	$1,195,686	5.62%	$67,158
	Equity				
4	Common Equity	40.00%	$797,124	9.85%	$78,517
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$797,124	9.85%	$78,517
7	**Total**	100%	$1,992,810	7.31%	$145,674
	Per Board Decision				
	Debt				
8	Long-term Debt	56.00%	$1,115,974	5.87%	$65,508
9	Short-term Debt	4.00%	$79,712	2.07%	$1,650
10	**Total Debt**	60.00%	$1,195,686	5.62%	$67,158
	Equity				
11	Common Equity	40.0%	$797,124	9.85%	$78,517
12	Preferred Shares	0.0%	$ -	0.00%	$ -
13	**Total Equity**	40.0%	$797,124	9.85%	$78,517
14	**Total**	100%	$1,992,810	7.31%	$145,674

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$358,673		$358,673
2	Distribution Revenue	$752,831	$754,171	$752,831	$754,171
3	Other Operating Revenue Offsets - net	$68,907	$68,907	$68,907	$68,907
4	**Total Revenue**	$821,738	$1,181,751	$821,738	$1,181,751
5	Operating Expenses	$1,032,013	$1,032,013	$1,032,013	$1,032,013
6	Deemed Interest Expense	$67,158	$67,158	$67,158	$67,158
	Total Cost and Expenses	$1,099,171	$1,099,171	$1,099,171	$1,099,171
7	**Utility Income Before Income Taxes**	($277,433)	$82,580	($277,433)	$82,580
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	($20,214)	($20,214)	($20,214)	($20,214)
9	**Taxable Income**	($297,647)	$62,366	($297,647)	$62,366
10	Income Tax Rate	16.00%	16.00%	16.00%	16.00%
11	**Income Tax on Taxable Income**	($47,623)	$9,979	($47,623)	$9,979
12	**Income Tax Credits**	($7,041)	($7,041)	($7,041)	($7,041)
13	**Utility Net Income**	($222,768)	$71,474	($222,768)	$71,474
14	**Utility Rate Base**	$1,992,810	$1,992,810	$1,992,810	$1,992,810
	Deemed Equity Portion of Rate Base	$797,124	$797,124	$797,124	$797,124
15	Income/Equity Rate Base (%)	-27.95%	8.97%	-27.95%	8.97%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-37.80%	-0.88%	-37.80%	-0.88%
17	Indicated Rate of Return	-7.81%	6.96%	-7.81%	6.96%
18	Requested Rate of Return on Rate Base	7.31%	7.31%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-15.12%	-0.35%	-15.12%	-0.35%
20	Target Return on Equity	$78,517	$78,517	$78,517	$78,517
21	Revenue Sufficiency/Deficiency	$301,285	($7,042)	$301,285	($7,042)
22	**Gross Revenue Sufficiency/Deficiency**	$358,673 **(1)**		$358,673 **(1)**	

Notes:

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

Line No.	Particulars	Revenue Requirement	
		Application	Per Board Decision
1	OM&A Expenses	$923,677	$923,677
2	Amortization/Depreciation	$108,336	$108,336
3	Property Taxes	$ -	$ -
4	Capital Taxes	$ -	$ -
5	Income Taxes (Grossed up)	$11,106	$11,106
6	Other Expenses	$ -	$ -
7	Return		
	Deemed Interest Expense	$67,158	$67,158
	Return on Deemed Equity	$78,517	$78,517
8	Distribution Revenue Requirement before Revenues	$1,188,793	$1,188,793
9	Distribution revenue	$1,112,844	$1,112,844
10	Other revenue	$68,907	$68,907
11	**Total revenue**	$1,181,751	$1,181,751
12	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	($7,042) (1)	($7,042) (1)

Notes

(1) Line 11 - Line 8

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

		Selected Delivery Charge and Bill Impacts Per Draft Rate Order								
		Monthly Delivery Charge					Total Bill			
		Current	Per Draft Rate Order	Change $	Change %		Current	Per Draft Rate Order	Change $	Change %
Residential	**800 kWh/month**	$ 8.42	$ 11.50	$ 3.08	36.6%		$ 91.03	$ 95.37	$ 4.34	4.8%
GS < 50kW	**2000** kWh/month	$ 5.97	$ 22.00	$ 16.03	268.5%		$ 217.13	$ 219.71	$ 2.58	1.2%

Notes:

Please see draft rate order for detailed Bill Impacts

Attachment 3 of 6

Reporting and Record-keeping Requirements ("RRR")

Performance Based Regulation Summary and Submit | Labor | Capital | Supply and Delivery Information | Customers, Demand and Revenue | Utility Characteristics | Incentive Rate Mechanism

Report Summary

Filing Due Year: 2011	Filing Form Name: 2.1.5	RRR Filing No: 499
Reporting Period and Company Name: April- 2011Hearst Power Distribution Company Limited, Hearst: Corporation; ED-2002-0533; ;	Licence Type: Distributor	Status: Submitted
Report Version: 0	Extension Granted:	Extension Deadline:
Filing Due Date: May 2, 2011	Reporting From: January 1, 2010	Reporting To: December 31, 2010
Submitted On: April 28, 2011	Submitter Name: Nicole Leduc	Expiry Date: May 3, 2011

Instructions

1. Utilities that merged or were acquired subsequent to the reporting year must report data relevant to the entity as it existed prior to the merger or acquisition.
2. Under the Customers, Demand and Revenue tab, for Sentinel and Street Lighting, please enter connections not number of accounts.
3. When reporting Embedded Distributor(s), please enter the number of distributors embedded within your distribution system.
4. To delete a value that should have been blank you must delete the value and enter 0.
5. Clicking Save will not automatically submit this filing. To submit this filing, go to the Performance Based Regulation Summary and Submit tab, scroll to the end of the page, select Yes in the Submit drop down then click the Save button.
6. The Print All button will print all tabs.

Submit?

* Submit Form: No

Performance Based Regulation Summary and Submit | Labor | Capital | Supply and Delivery Information | Customers, Demand and Revenue | Utility Characteristics | Incentive Rate Mechanism

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

Line Crew Wage Rates ($/hr)

Please indicate the line crew wage rate in effect in the reporting year. If the line crew wage rate changed during the year, please indicate the wage rate before and after the change and the effective date of change in the Line Crew Wage Rate Change box

New Average Line Crew Wage Rate ($/hr)	New Line Crew Wage Rate ($/hr)	New Line Crew Wage Rate effective date
32.06	31.18	April 1, 2010

Labor

Full time equivalent number of employees	Estimated average number of employees for the year whose earnings are charged to current operating expenses (Administrative, operating, and maintenance)	
6	6.00	
Salaries and Wages charged to current operating expenses, in dollars	**Estimated average number of employees charged to new construction**	**Employee Salaries Wages charged to new Construction, in dollars**
324,438.54	4.00	13,796.00

Performance Based Regulation Summary and Submit | Labor | Capital | Supply and Delivery Information | Customers, Demand and Revenue | Utility Characteristics | Incentive Rate Mechanism

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

Capital (in dollars)

Please enter all amounts as positive numbers.

Gross Capital Additions

a) Employee labor including benefits	b) Equipment and materials	c) Capital works/Other
19,314.19	21,758.90	

d) Overhead	e) Carrying charges
5,518.34	

Total Gross Capital Additions (sum of a, b, c, d, & e)

46,591.43

Other Capital Related Information

Retirements for year (net loss amount should be positive and net gain amount should be negative)	Contributed capital for the year (Incremental)

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

Supply and Delivery Information

For the purposes of this section, all kWhs other than in relation to distribution losses shall be reported based on a reading of the applicable meter, without being grossed up for loss factor.

A) Supply

i. Total kWhs of electricity that has flowed into the distributor's distribution system from the IESO-contolled grid or the distribution system of a host distributor	ii. Total kWhs of electricity that has flowed into the distributor's distribution system from all embedded generation facilities	iii. Number of wholesale meters pertaining to the utility located on primary side of the supply transformers
77,572,120.00	26,284.00	2

B) Delivery

i. Total kWhs of electricity delivered to all customers in the distributor's licensed service area and to any embedded distributors	ii. Total kWh delivered to customers in the Large Use class	iii. Total kWhs delivered to embedded distributors
73,847,934.00		57,288.00

C) Distribution Losses

Distribution losses in kWhs, calculated as the difference between the supply as reported in A(i) and A(ii) above, less delivery as reported in B(i) above.

3,750,470.00

D) Amount Charged ($)

Amount charged by any host distributor for transmission or low voltage services in the year

226,379.83

Performance Based Regulation Summary and Submit | Labor | Capital | Supply and Delivery Information | Customers, Demand and Revenue | Utility Characteristics | Incentive Rate Mechanism

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

Customers, Demand and Revenues

Rate Class	Customers/Connections	Billed kW	Billed kWh	Revenues Account (4080)
Residential Customers	2,292		25,225,707.00	449,199.29
General Service < 50 kW Customers	401		11,529,904.00	129,388.83
General Service >= 50 kW Customers	38	49,410	17,814,537.00	149,723.84
Large User (>5,000 kW) Customers				
Street Lighting Connections	922	3,092	1,008,852.00	14,363.44
Sentinel Lighting Connections	10	57	20,027.00	856.33
Sub Transmission Customers				
Intermediate Service	3	59,337	18,248,907.00	37,146.80
Scattered Unmetered Load Connections				
Embedded Distributor(s)				
Total (Auto-Calculated)	3,666	111,896	73,847,934.00	780,678.53

Performance Based Regulation Summary and Submit | Labor | Capital | Supply and Delivery Information | Customers, Demand and Revenue | Utility Characteristics | Incentive Rate Mechanism

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Utility Characteristics

NOTE: Utilities that merged or were acquired subsequent to the reporting year must report data relevant to the entity as it existed prior to the merger or acquisition.

Total Service Area (Sq.Km): 93	Rural Service Area (Sq.Km):	Urban Service Area (Sq.Km): 93
Service Area Population: 5,620	Municipal Population: 5,620	Number of Seasonal Occupancy Customers:
Utility Winter Max Monthly Peak Load (kW): 16,576	Utility Summer Max Monthly Peak Load (kW): 13,283	Utility Average Peak Load (kW): 13,181
Utility Average Load Factor: 67		
Circuit Kilometers of Line: 68	Overhead Circuit Kilometers of Line: 57	Underground Circuit Kilometers of Line: 11

Circuit Kilometers of Line by Type

3 Phase: 27	2 Phase:	Single Phase: 41
Total of all phases: 68		

Number of Transformers by Type

Transmission:	Sub-transmission:	Distribution: 60

Number of Distribution and Transmission Stations by kV

Number of Distribution and Transmission Stations in Total:	Number of Distribution and Transmission Stations Greater Than or Equal to 50kV:	Number of Distribution and Transmission Stations Less Than 50 kV:

Performance Based Regulation Summary and Submit | Labor | Capital | Supply and Delivery Information | Customers, Demand and Revenue | Utility Characteristics | Incentive Rate Mechanism

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

Incentive Rate Mechanism

A distributor whose rates during all or part of the reporting period were set using an incentive rate mechanism shall report the regulatory return earned since effective date of the most recent incentive rate change.

The reported return is to be calculated on the same basis as was used in establishing the distributor's base rates.

Regulatory Return Earned Report Mailed to the Board

Comments

n/a

Attachment 4 of 6

Past Decision EB-EB-2009-0226

Ontario Energy Board

Commission de l'énergie de l'Ontario

Ontario

EB-2009-0266

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Hearst Power Distribution Company Limited for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2010.

BEFORE: Marika Hare
Presiding Member

Ken Quesnelle
Member

DECISION

February 15, 2011

BACKGROUND

Hearst Power Distribution Company Limited ("Hearst Power" or the "Applicant") filed an application with the Ontario Energy Board (the "Board") on April 28, 2010, under section 78 of the *Ontario Energy Board Act*, *1998*, S.O. 1998, c. 15, (Schedule B) (the "Act"), seeking approval for changes to the rates that Hearst Power charges for electricity distribution, to be effective May 1, 2010. The Board assigned File Number EB-2009-0266 to this application.

Hearst Power is a licensed electricity distributor serving approximately 2,750 customers in the Town of Hearst. It is one of over 80 electricity distributors in Ontario regulated by the Board. In 2006, the Board announced the establishment of a multi-year electricity distribution rate-setting plan for the years 2007-2010. In an effort to assist distributors in preparing their applications, the Board issued the *Filing Requirements for Transmission and Distribution Applications* on November 14, 2006, amended May 27, 2009.

On January 29, 2009, the Board informed Hearst Power that it would be one of the electricity distributors to have its rates rebased for the 2010 rate year. On April 28, 2010 (amended on May 21, 2010), Hearst Power filed a cost of service application based on 2010 as the forward test year.

The Board issued a Notice of Application and Hearing dated June 11, 2010. The Board approved the Vulnerable Energy Consumers Coalition ("VECC") as an intervenor. No letters of comment were received by the Board.

In Procedural Order No.1, issued on July 9, 2010, the Board made provision for preliminary interrogatories to clarify certain pre-filed evidence and indicated that after review of the responses to the interrogatories, it would determine the next steps. VECC and Board staff filed interrogatories. Hearst Power filed its responses to the interrogatories on September 15, 2010, and October 1, 2010.

In Procedural Order No.2, issued on October 6, 2010, the Board determined that it would proceed by way of a written hearing and made provision for a round of written supplemental interrogatories due by October 15, 2010. Submissions from Board staff and VECC were due by November 19, 2010, and a reply submission from Hearst Power was due by December 3, 2010. VECC and Board staff filed supplemental interrogatories by October 14, 2010. On October 28, 2010, Hearst Power requested an

extension to file their responses to the supplemental interrogatories and on November 15, 2010, requested a further extension. Hearst Power filed responses to the supplemental interrogatories on November 22, 2010, and additional spreadsheet files on December 9, 2010.

In Procedural Order No.3, issued November 24, 2010, the Board noted that due to the late filing of interrogatory responses, it was necessary to modify the dates set out in Procedural Order No.2. Submissions from Board staff and VECC were reset as due by December 13, 2010, and a reply submission from Hearst Power by January 4, 2011.

On December 13, 2010, Board staff and VECC filed their submissions and on January 6, 2011 Hearst Power filed its reply submission.

Hearst Power originally requested a Service Revenue Requirement of $1,184,796[1] and a Base Revenue Requirement of $1,065,866. The proposed rates were set to recover a grossed-up revenue deficiency of $205,773[2]. In its reply submission, Hearst Power proposed a Service Revenue Requirement of $1,265,046 and Base Revenue Requirement of $1,196,139. The changes reflect increases in Hearst Power's rate base, return on rate base, PILs and OM&A costs, and decreases in amortization and the revenue offset. These adjustments reflected corrections and clarifications arising from responses to interrogatories.

The requested rate increase was estimated to be 11.08%[3] on the delivery component of the bill for a residential customer consuming 800 kWh in the winter and summer months. The total bill impacts were moderated by the inclusion of deferral and variance account balances that are in a credit position; as a result, the application showed a total bill increase of 2.73% ($2.33 per month) for these Residential customers. Hearst Power did not provide updated estimates of bill impacts in its reply submission.

The full record is available at the Board's offices. The Board has chosen to summarize the record to the extent necessary to provide context to its findings.

[1] Exhibit 8, Tab 1, Schedule 1, Page 1
[2] Exhibit 6, Tab 1, Schedule 1, Page 1
[3] Exhibit 8, Tab 1, Schedule 5, Page 2, Table 8.1.5.3

THE ISSUES

The following issues were raised in the submissions of Board staff and the intervenor, and are addressed in this Decision:

- Effective date for new rates
- Rate Base and Capital Expenditures
- Customer / Load Forecast and Revenues
- Operating Costs
- Cost of Capital and Rate of Return
- Cost Allocation and Rate Design
- Deferral and Variance Accounts

EFFECTIVE DATE FOR NEW RATES

In its application, Hearst Power requested that the Board issue an interim Order approving its proposed distribution rates and other charges effective May 1, 2010. In its Decision and Order on Interim Rates, dated June 24, 2010, the Board did not approve Hearst Power's proposed rates on an interim basis. The Decision and Order stated that were such approval granted, it might be perceived as pre-empting the outcome of the Board's review of Hearst Power's application, and would likely result in implementing further rate changes because the elements of the application had not yet been tested for prudence.

The Board determined that Hearst Power's current distribution rates should be declared interim as of May 1, 2010. The Board also stated that it would determine at a later date, if the new rates should be effective as of May 1, 2010, or as of a later date. By granting rates interim as of May 1, 2010, the Board noted, it had retained the authority to make the final rates effective as of that date, but that it is not required to do so.

In the interrogatory process, Board staff referenced[4] the Board's March 5, 2009, letter which advised all electricity distributors that "Applicants are encouraged to file applications for 2010 as soon as possible, and no later than August 29, 2009 for rates to become effective May 1, 2010." Hearst Power was asked to explain the reasons for the late filing of its Application. Hearst Power explained that it had advised the Board that it would be unable to meet the August 15, 2009 filing deadline because of the necessity to address Board mandated programs and local issues. Moreover, as a small and first-

[4] Board staff supplemental interrogatory #3

time cost of service applicant, it had not expected the exercise to be such a time consuming exercise for its internal resources.

In its submission, Board staff noted that Hearst Power was advised in the Board's April 20, 2010 letter that if it did not file its cost of service application by April 30, 2010, then its application should be filed as a 2nd generation IRM application. Board staff noted that by not filing its Application until May 21, 2010, Hearst Power's was almost nine months late. Had Hearst Power complied with the directions in the Board's April 20, 2010 letter, it should have filed a 2nd generation IRM application.

Board staff submitted that when a utility fails to file a complete and accurate application by the required deadline, it forfeits its right to expect its new rates to be effective by May 1 of the following year. Board staff further submitted that consistent with the Renfrew Decision (EB-2009-0146), the effective date should be the beginning of the month after the issuance of the Decision.

VECC submitted that the effective date should be no earlier than October 1, 2010, which it considered to be generous. It listed effective dates later than October that might be warranted by the delays at the outset and during the proceeding, and suggested that the Board needs to send a clear signal to all applicants that not filing on time has consequences.

VECC also pointed out that the implementation date might be later than the effective date, and that there could be relatively few months remaining in the rate year to recover revenue foregone between the effective and implementation dates. It suggested that consideration should be given to extending the recovery period over a longer period than the end of the rate year.

In its reply submission, Hearst Power disagreed that there would be any value in sending a signal to other distributors concerning late applications and missed deadlines, and reiterated the circumstances that have made it difficult for Hearst to comply with the same schedule as larger distributors. It submitted that an effective date suggested by Board staff, being February 1, 2011 at the earliest, would impose a considerable loss in revenue. It recommended September 1, 2010 as a compromise that would result in a manageable loss to the utility.

Board Findings

The Board in its Decision and Order on Interim Rates issued on June 24, 2010, stated that by making rates interim as of May 1, 2010, the Board preserves the ability to make the final rates effective as of that date, but not the requirement to do so.

Board staff submitted that the effective date of new rates should be the beginning of the month following the Board's Decision. VECC submitted a rationale for an effective date of October 1, 2010, or later. The Applicant submitted that September 1, 2010 would be reasonable.

The Board considers the timelines it establishes for filing future test year cost of service applications to be in the public interest. The timelines allow a reasonable time for the hearing of the matter before it and provide appropriate public notice as to what may occur in the future as a result of the hearing. The Board notes that Hearst Power was required to file its 2010 cost-of-service rates application by August 28, 2009 in order to have rates effective May 1, 2010. The Board set this date in order that Hearst Power would be fully aware of the time required to process an application and could therefore plan accordingly. Further, in its letter dated April 20, 2010, the Board advised Hearst Power that if it did not file its cost-of-service application by April 30, 2010, then its application should be filed on the basis of a 2nd generation IRM. Hearst Power was eight months late in filing its application. The preparation and filing of a cost of service rebasing application should be considered a core activity for a distributor. The setting of rates based on a public hearing of the underpinning basis for the proposed revenue requirement is the manner in which the merits of the distributor's planned activities are tested. The time frame of this proceeding has eclipsed the future test year that it is based on.

The Board has therefore determined that Hearst Power's new rates will become effective on February 1, 2011

RATE BASE AND CAPITAL EXPENDITURES

Hearst Power requested approval of $2,355,582 as the 2010 Rate Base[5]. This amount was made up of net fixed assets (i.e. Average Net Book Value) of $1,295,485 and a Working Capital Allowance of $1,060,098.

[5] Exhibit 2, Tab 1, Schedules 1-3

In interrogatory responses[6], Hearst Power modified its 2010 Rate Base value to $2,944,609. Most of the increase was attributable to an increase in power supply expenses, and minor revisions to the Rate Base were made as individual components were updated through the discovery process.

In its reply submission, Hearst Power modified its proposed rate base to $2,385,912. The following table shows the resulting trend in annual amounts that would comprise the rate base.

Table 1 – Rate Base Trend ($ million)

Year	2006 Actual	2007 Actual	2008 Actual	2009 Projection	2010 Forecast
Total Rate Base	$2.295	$2.210	$1.961	2.164	$2.386

The following issues are addressed in this section:

- Smart Meters
- Capital Policies and Plan
- Accumulated Amortization
- Working Capital Allowance
- Service Quality and Reliability Performance

Smart Meters

Board staff noted that the Applicant's treatment of Smart Meter-related capital expenditures in its pre-filed evidence[7] was unclear. It was noted that Smart Meters and their supporting communication systems appear to have been included in the Applicant's rate base in a manner that is not consistent with the Board's G-2008-0002 Guideline: Smart Meter Funding and Cost Recovery, October 22, 2008 (the "Guideline"). For example, the cost information was not audited in the manner required by section 1.5 of the Guideline. Hearst Power reiterated[8] that since 100% of its smart meters would be installed by end of 2010, it considered it was eligible to recover its costs through its Rate Base and regular OM&A expenses.

[6] Board staff interrogatory #2 and VECC interrogatory #6
[7] Exhibit 2, Tab1, Schedule 3, page 2
[8] Board staff interrogatory # 4 and Board staff supplemental interrogatory #36

Board staff suggested that it would be appropriate for Hearst Power to include in the rate base the audited costs of the smart meters installed in 2009. The residual balances associated with the 2009 smart meter installations captured in deferral accounts 1555 and 1556 should be disposed of by means of a disposition rate rider. With respect to smart meters installed in 2010, Board staff disagreed that these costs should be included in the rate base since the cost information is not audited and doing so would be counter to the Board's Guideline referenced above. Board staff took the position that, pursuant to section 1.6 of the Guideline, it would be appropriate for Hearst Power to seek recovery of smart meters installed in 2010 by means of a smart meter disposition rider once the financial information has been audited.

VECC took the same position as Board staff concerning 2010 expenditures. VECC submitted that capital spending to the end of 2009 should also be excluded from rate base at this time and continue to be included in deferral accounts due to ambiguities that it identified in the record, and a smart meter adder established accordingly.

In its reply submission, Hearst Power indicated that it no longer seeks approval to transfer into its rate base the capital cost of smart meters installed in 2010. As for the 2009 data, it submitted that there is no inconsistency, after clarifying gross versus net book values, correcting for a typographical error, and making a clearer distinction between smart meters and ordinary meters. There is therefore no reason, in the Applicant's submission, to not use the audited data as per the auditor's letter dated February 25, 2010[9] and to transfer the 2009 balance to Hearst Power's rate base.

Capital Policies and Plan

Hearst Power proposed[10] a capital expenditure of $248,696 in 2010. A summary of its 2006-2010 capital expenditures is shown in Table 2 below.

Table 2 – Capital Expenditures ($k)

Year	2006	2007	2008	2009	2010
Capital Expenditures	58	52	115	463	249

Hearst Power showed[11] that it had included its smart meter spending in its 2009 and 2010 capital expenditures; the smart meter components included were stated to be $437k (2009) and $115k (2010). The remaining 2010 expenditures focus on replacing

[9] VECC interrogatory # 32(d), Appendix X
[10] Exhibit 2, Tab 5, Schedule 1
[11] Exhibit 2, Tab 5, Schedule 1

poles, transformers and installing transformer pads for underground distribution. No expenditure is included in this application in support of the government's Green Energy initiative.

Board staff noted in its submission that the 2010 capital expenditure proposed in the application represents a 47% decrease from 2009 which, in turn, was a 310% increase from 2008. The fluctuations were seen to be primarily a result of the inclusion of smart meter costs in 2009 and 2010.

In order to focus on the issue of non-smart meter capital expenditures, Board staff presented Table 3 below, based on updated data provided by the Applicant[12]. The items specifically identified by Hearst as smart meter related were excluded.

Table 3 – Capital Expenditures Excluding Smart Meters ($k)

Year	2006	2007	2008	2009	2010
Capital Expenditures excluding smart meters	58	52	115	45	134

Hearst Power clarified[13] the matter with additional information on capital expenditures that are slightly higher than usual yet still fall below the materiality threshold:

- The $13,000 in Buildings and Fixtures related to the warehouse roof to be replaced,
- The $25,000 spending on Office Furniture and Equipment – folding machine,
- The $25,000 spending on Software – Smart Meter related software (MDMR), and
- The $12,500 spending on Transportation Equipment – Maintenance on trucks.

Board staff stated that it does not have an issue with the necessity of any of the 2010 proposed expenditures even though the 2010 total is a significant increase from the historical norm. However, Board staff noted that the $25k software is "smart meter-related" and the $12.5k amount is for truck "maintenance". Thus, Board staff invited Hearst to verify that:

- the "smart meter software" is for the processing of data (e.g. billing) after the data have been received by the utility (otherwise the software should be considered a smart meter expenditure and be accounted for in a similar manner to smart meters), and

[12] Appendix H provided in response to VECC interrogatory #8
[13] Board staff supplemental interrogatory #15

- the "maintenance" performed on the trucks is a betterment that increases the resale value of the trucks and not regular maintenance which keeps the vehicles in running order (and would therefore be an OM&A cost).

VECC agreed that Hearst Power's proposed capital expenditures were reasonable to include in the rate base, noting that the capital program over several years had consisted largely of smart meters and that the apparently high expenditures in 2010 were catching up. VECC expressed concern about the amount included in the capital program for PST (as well as in OM&A), and suggested methods by which PST savings after July 1, 2010 could be removed from the rate base.

Hearst Power confirmed in its reply argument that the software is related to MDMR rather than smart meters per se, and that the expenditures on the trucks will increase the resale value. Concerning the PST, Hearst Power pointed out that it had paid PST while it was in effect in the first half of 2010, and submitted that the amount should be recorded in a deferral account to be recovered later.

Accumulated Amortization

Hearst Power acknowledged[14] that it had not consistently applied the half year rule throughout the historical years, but submitted that it had updated its depreciation as directed in the minimum filing guidelines. Hearst Power corrected and updated its evidence[15] with respect to depreciation charges for 2010 and prior years in its responses to initial and supplemental interrogatories.

In its submission Board staff said that it remained uncertain about whether the half year rule had been applied consistently by Hearst Power. VECC noted that the historical application of the half year rule affects only the most recent year, and that capital additions in 2009 had been very small (except for smart meters, as discussed above).

In its Reply Submission, the Applicant submitted that with the 2010 smart meters removed its Net Fixed Assets are $1,228,149. It noted that VECC was in agreement with the proposal, and it addressed Board staff's concern by confirming that it had applied the half year rule correctly.

[14] Board staff interrogatory #7
[15] VECC interrogatory #19; Appendix 2IR_D provided in response to Board staff interrogatory #13

Working Capital Allowance

In its application, Hearst Power's proposed Working Capital for the 2010 Test Year was $7,067,318[16] which translated to a Working Capital Allowance ("WCA") of $1,060,098.

In an interrogatory response[17], Hearst Power reduced the cost of power to $5,409,909 with a corresponding reduction in WCA. Hearst Power showed that the 15% WCA factor had been correctly applied.

Board staff submitted that it had no issue with the WCA value provided it had been calculated on the basis of the latest-filed load forecast in Appendix 2IR_C filed on November 22, 2010. Board staff stated that the resulting value of the WCA calculated on this basis was unclear. Board staff invited Hearst Power to confirm that the WCA value it was relying on was $1,165,797, which was provided in response to VECC supplemental interrogatory #38. If it should be a different value, Board staff suggested that calculations showing the determination of the WCA amount should be filed.

VECC noted an apparent discrepancy between the explanation of the commodity cost for power delivered to RPP customers, versus the values actually used in the calculation. Hearst Power responded that the cost of power it had used for RPP customers was the same as was used by other applicants who had filed draft rate orders in December 2010.

Service Quality and Reliability Performance

Hearst Power showed[18] that its Service Quality Indicators exceed SQI standards. Its service reliability statistics (SAIDI: System Average Interruption Duration Index and SAIFI: System Average Interruption Frequency Index) indicated that the frequent and long-duration outages in the service area were substantially the result of Hydro One outages, while Hearst Power's own performance in this regard was satisfactory. In an interrogatory response[19], Hearst Power provided statistics which excluded the Hydro One influence. Excerpts from the response are provided in Tables 4 and 5.

[16] Exhibit 2, Tab 1, Schedule 2, page 2 and Exhibit 2, Tab 4, Schedule 1
[17] Board staff supplemental interrogatory #9
[18] Exhibit 2, Tab 7, Schedules 1-2
[19] Board staff supplemental interrogatory #11

Table 4 – Reliability Statistics (*including* Hydro One effect)

YEAR	SAIDI -Annual	SAIFI - Annual
2006	10.73	5.79
2007	11.73	5.91
2008	1.20	0.95
2009	6.66	10.32

Table 5 – Reliability Statistics (*excluding* Hydro One effect)

YEAR	SAIDI -Annual	SAIFI - Annual
2006	1.60	0.98
2007	0.65	0.92
2008	1.20	0.95
2009	5.67	3.45

Board staff noted that there was a significant increase in both outage duration (SAIDI) and outage frequency (SAIFI) values for 2009. It submitted that no evidence was provided to explain the sudden large increase, and thus questions arose regarding the soundness of Hearst's distribution system and the ability of Hearst's field resources to rectify outages. In addition, Hearst Power modified[20] its 2005-2008 Total Loss Factor which averaged 1.0443, to include 1.0563 for 2009. Board staff submitted that the Applicant had not provided a full explanation of the apparent diminishing health of its distribution system in determining its capital expenditures and OM&A.

Hearst Power replied that its system is reliable and that the statistics are picking up supply outages upstream of its system. It plans to review its accounting reporting procedures to ensure that the distinction will be made correctly.

Board Findings

The Board notes that Board staff and VECC supported the net fixed asset portion of Hearst Power's rate base, with the withdrawal of 2010 smart meters and with the half-year rule correctly applied. The Board accepts Hearst Power's submission of the average balance of net fixed assets.

As noted above, in its final submission Hearst Power withdrew its proposal to transfer the smart meters installed in 2010 into its Rate Base. Hearst Power submitted that the balance at the end of 2009 should be included in its rate base, citing the letter from

[20] Board staff supplemental interrogatory #34

Hearst Power's auditor dated February 25, 2010. Board staff and VECC agreed with this submission. However, the Board will not approve the transfer of any of the balance in account 1555 to Hearst Power's rate base in this Decision. The Board considers that the requirements of the Guidelines G-2008-0002, section 1.5 have not been fully satisfied in the record before the Board. Several requirements outlined in the Guideline have not been filed or contain insufficient detail, precluding the Board from assessing whether these costs were prudently incurred. While not approving the transfer of the costs of smart meters installed in 2009 into rate base, the Board does make provision for partial recovery of smart meter costs later in this Decision.

In response to Board staff concerns about proposed capital spending on items of software and on transportation equipment, Hearst Power confirmed that the software expenditure would not be included with smart meters, and that the expenditure on equipment will increase the resale value of the assets. With this confirmation, the Board agrees that the expenditures in question shall be included in Hearst Power's rate base.

Hearst Power sought to record PST amounts actually paid in the first six months of 2010 in a deferral account for future recovery. VECC submitted an alternative approach but did not object to Hearst Power's proposal. The Board approves Hearst Power's proposal to remove the PST paid on the 2010 capital additions and record actual PST paid in the first six months of 2010 in a deferral account for future recovery.

Hearst Power submitted a Working Capital Allowance (WCA) for the 2010 test year of $1,163,143, which was based on 15% of the forecast cost of power and controllable expenses.[21] The Board notes that neither VECC nor Board staff objected to the WCA requested. The Board expects that the Applicant will include a detailed calculation of the updated WCA with its Draft Rate Order. The update will include Hearst Power's transmission costs and if necessary, its forecast of Low Voltage costs, as directed later in this Decision.

The Board notes that the reliability statistics suggest that 2009 was a poor year for both Hearst Power's own system and Hydro One's systems upstream from Hearst. The Board will be interested in its distribution reliability statistics in future years.

CUSTOMER / LOAD FORECAST AND REVENUES

The following issues are addressed in this section:

[21] Excel file 'Hearst_Rate Model_ SUPPIRS_20101209', submitted December 9, 2010

- Customer and Load Forecasts
- Throughput, Distribution and Other Revenues

Customer and Load Forecasts

Hearst Power initially filed a forecast of its customers/connections in the test year at 3,503. Board staff observed that the number of customers/connections had remained virtually constant at 3,705 over the 2006-2008 period, dropping to 3,680 in 2009 and increasing to 3,686 in the 2010 forecast[22]. The forecast was corrected to 3686, based on a stable number of customers, a small increase in the number of streetlight connections, and a gradual decrease in the number of sentinel light connections. Board staff expressed its view that the proposed customers/connections forecast is reasonable.

Hearst Power used a variation of the Normalized Average Consumption (NAC) approach to develop its 2010 load forecast in its application[23]. It was initially unclear whether the methodology included explicit weather normalization, or was based on data averaged over several years. The load was variously expressed[24] as a "2010 Test Year Forecast" of 86,167,555 kWh and a "2010 Test Year Weather Normalized (forecast)" of 116,205,364 kWh[25].

The Applicant confirmed that classes with weather sensitive loads were handled differently from those whose load is not affected by weather. It confirmed that the load forecast of weather-sensitive classes was a five year-average, and was not based on the weather-normalized loads provided by Hydro One in 2006.[26] Board staff noted that most utilities that develop a weather normalized load forecast achieve this by incorporating heating degree days and cooling degree days; Board staff submitted that a forecasting methodology like Hearst Power's, that does not use any weather normalization and does not consider trends in usage, is not sound.

On September 30, 2010, Hearst Power filed an "Addendum to Cost of Service Application EB-2009-0266" that contained "an alternate load forecast" of 77,587,715 kWh. The principal change in the filing was that the initial forecast of the Intermediate

[22] VECC interrogatory #10, and Board staff supplemental interrogatories, Appendix 2IR_F
[23] Exhibit 3, Tab 2, Schedules 1-4
[24] Exhibit 3, Tab 2, Schedule 3, page 4
[25] Board staff interrogatory #8
[26] Board staff supplemental interrogatory #17

class had included the assumption that load lost in 2007-2008 would be regained in the test year, but subsequent events proved that assumption to be inaccurate.

From Hearst Power's comparison of the 2010 kWh forecast and the 2010 kWh actual usage to date[27], Board staff concluded that, on a proportional basis, the forecast value is just slightly higher than the trending actual. This observation together with the explanation provided by Hearst that there appeared to be little chance that the recently shut-down production lines would re-open in the foreseeable future, led Board staff to conclude that the proposed load forecast result is reasonable. Board staff therefore submitted that the 77,587,715 kWh load forecast should be approved by the Board.

VECC noted that Hearst Power's load forecast is 2.6% below the actual usage in 2009. However, it acknowledged that weather normalization requires an intensive effort, and submitted that the forecast should be accepted as modified for 2010. It suggested that the Board should encourage Hearst Power to explore other approaches to load forecasting for use in its next cost-of-service application.

Throughput, Distribution and Other Revenues

Hearst Power forecast Other Revenues (i.e. Revenue Offsets) for 2010 to be $118,930[28]. This amount is used consistently in the application, notably in the Revenue Requirement Work Form and in the Cost Allocation model. However, the proposed amount was subsequently reduced to $68,907 by Hearst Power[29].

Board staff stated that most of the components of Other Revenues were reasonably stable over the historical and forecast periods, or that there were intuitive explanations for changes (e.g. low interest rates for investments). Board staff noted that additional information[30] supported the reasonableness of components of the revenue offset within the original amount. VECC submitted that the revised amount was in line with previous years.

VECC however also expressed a number of concerns with Hearst Power's accounting with its affiliates. In particular Hearst Power provides labour for street light maintenance, to be performed in future by Hearst Power Sales and Service, but

[27] Board staff supplemental interrogatory #19
[28] Exhibit 3, Tab 3, Schedule 1
[29] VECC interrogatory 11a and Appendix N
[30] Board staff supplemental interrogatory #21

appears to not include any payment for such services in its revenue offset.[31] In the absence of more specific information, VECC submitted that the Board should direct Hearst Power to provide clearer explanations of its costs and revenues associated with its affiliates, both with the Town of Hearst and with Hearst Power Sales and Service.

Hearst Power replied that the confusion appears to involve posting amounts to account 4235 instead of 4325. It plans to have a consultant review its internal accounting procedures.

Board Findings

The Board has based most distribution rate decisions on a load forecast of weather-sensitive loads that is weather-normalized, and based on a lengthy record of weather and load information. The Board is sympathetic to the argument that trending of average consumption data would produce a more meaningful load forecast than one based on averages.

The Board notes that Board staff and VECC agreed that Hearst Power's forecast of 3686 customers and 77, 587,715 kWh was reasonable. The Board accepts this forecast and the forecasts of billing quantities that are based on them.

The Board agrees with VECC's submission that Hearst Power should explore improved methods of load forecasting for its next cost-of-service application. Hearst Power should be mindful of the need to weigh the cost and associated rate impacts of achieving a more robust forecast against the benefits gained.

With respect to the proposed revenue offset, the Board notes that the larger amount of Revenue Offset submitted in the original Application was not supported by detailed evidence, whereas the revised lower amount is supported in the interrogatory response. VECC submitted that the revised amount was consistent with the amounts recorded in previous years. The Board approves the proposed revenue offset of $68,907.

[31] Response to VECC supplemental interrogatory # 47(b)

OPERATING COSTS

The following issues are addressed in this section:

- Operating, Maintenance and Administration Expenses (OM&A)
- Income and Capital Taxes

Operating, Maintenance and Administration Expenses

In its application[32], Hearst Power requested approval of $867,878 for total OM&A expenses for the 2010 test year. It clarified certain ambiguities and provided a consistent set of historical and forecast OM&A details[33], and revised its OM&A forecast to $935,399. A summary of the updated data[34] is shown in Table 6.

Table 6 – Summary of OM&A Expenses

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Forecast
OM&A Expenses	$641,459	$665,483	$695,799	$802,639	$935,399

Hearst Power explained that the additional costs it will incur in 2010 include the meter reading program in support of smart meters, an additional employee in preparation for a planned retirement and the increased costs resulting from a negotiated labour settlement.

Hearst Power leases office space from the Town of Hearst and the utility in turn provides water meter reading and billing services, street light maintenance and related services to the Town. Hearst Power provided details of the monetary value of a number of its Purchased Services.

Hearst Power also filed evidence[35] that showed the portion of the utility's wages that was used to provide support activities for the Town of Hearst which was fully paid for by the Town. Board staff examined Hearst Power's affiliate relationships and concluded it had no issue. It also followed up[36] on details of the tendering process for a number of Hearst Power's larger expenditures and submitted that it had no issue.

[32] Exhibit 4, Tab 2, Schedule 1, page 1
[33] Board staff interrogatory #10 and VECC interrogatory #13
[34] Appendix BS-G and Board staff supplemental interrogatory #23
[35] VECC interrogatory # 17
[36] Board staff supplemental interrogatory #28

Board staff calculated that total compensation increased by 3.0% per annum over the 2006-2010 period. Hearst Power reported[37] it had used a zero inflation rate for its non-labour expenses in 2009 and 2010, and the inflation rate used for the 2010 OM&A forecast[38] was not a specific inflation factor but rather each account had been looked at individually.

Board staff noted that OM&A during the 2006-2008 period increased by 4.2 % per annum, from 2008 to 2009 OM&A increased by 15.4%, and from 2009 to 2010 OM&A is forecast to increase by 16.5 %. Measured over the 2006-2010 period, the average increase was noted to be 11.5 % per annum.

Hearst Power showed[39] its OM&A expenses up to September 30, 2010, totaled $535k, which as Board staff noted would equal a full-year expenditure of $713k on a proportional basis. Hearst Power emphasized that it had "held off on most of its 2010 spending until the proposed revenue requirements is approved". The extrapolated 2010 year-to-date expenditure of $713k would be an 11.2% reduction from the 2009 actual.

Hearst Power stated[40] that additional OM&A cost drivers from 2008 to the 2009 bridge year included the use of outside services in support of its rebasing application ($108k was the 2009 component) and employee pension and benefits resulting from resolution of an earlier strike ($83k). From 2009 to 2010, a main cost driver was associated with the reading of smart meters ($52k).

In an interrogatory response[41], Hearst Power provided detailed calculations of its regulatory costs, comprised of a revised rebasing cost estimate of $207,649 and IRM estimate of $62,436, which together totaled $270,085. The response stated that $67,521 (i.e. $270,085 / 4) had been added to the Outside Services account, bringing the total OM&A from its previous value of $867,878 to $935,399. Board staff noted however, that it appeared that in Hearst Power's response, $76,516 (not $67,521) had been added to the 2010 OM&A expenses to achieve the $935,399 total. This suggested to Board staff that the total regulatory amount was $306,064.

[37] VECC interrogatory #14
[38] Board staff supplemental interrogatory #23
[39] Board staff interrogatory #23 and Appendix 2IR_G
[40] Appendix 2-H
[41] VECC interrogatory #15

Hearst Power clarified that the apparent discrepancy in regulatory costs identified by Board staff is due to $8995 per year for regulatory consulting needs other than rate applications, and that the total is $76,516 when this amount is included.

Regarding OM&A expenses, Board staff suggested that the very large percentage increases that Hearst Power had experienced – and expected to experience – were attributable to expenditures which would be of the same dollar magnitude for any utility. They appear to be excessive in percentage terms for Hearst because of its small size. For example, Board staff noted that Hearst Power had reported[42] that, in anticipation of an expected retirement, it hired an apprentice line maintainer at a cost of $91k in 2010 – this is 9.9% of its 2010 OM&A cost. (Hearst Power stated[43] that its apprentices are trained outside of Hearst and that the $91k included travel and accommodation costs.) Similarly, Board staff noted that the cost to obtain external assistance for its current rebasing was not dissimilar to that for much larger utilities but, again, represented a much larger percentage increase for Hearst Power.

VECC questioned whether PST expenses in the proposed revenue requirement are for a full year and that savings in PST after mid-year 2010 may not have been reflected. Hearst Power submitted that the same approach to PST should be used for OM&A as for capital expenditures, and reiterated its proposal to remove all PST for the revenue requirement and instead record actual PST in a deferral account, to be disposed of later.

VECC submitted that depreciation expenses related to smart meters should be reduced if the capital costs of smart meters are recorded in a deferral account as advised by VECC. Hearst Power calculated depreciation in this scenario at $135,888, and provided a revenue requirement work form with this amount.[44]

Hearst Power confirmed[45] that it had not included any late payment penalty litigation costs. Hearst Power included no provision for LEAP, did not seek recovery of any cost associated with the *Green Energy Act*, and noted that it makes no charitable donations.

[42] Exhibit 4, Tab 1, Schedule 1, page 1
[43] VECC interrogatory #12
[44] IRR Appendices, Appendix 2
[45] Board staff supplemental interrogatories #26 and #30

Income and Capital Taxes

Certain data relating to PILs calculations appeared to be missing and/or variously stated in the application. The amount of PILs included in the 2010 revenue requirement was $14,479. Hearst Power filed a revised PILs model[46] in response to an interrogatory, with PILs equal to $31,038. On November 22, 2010 it filed a Revenue Requirement Work Form with PILs equal to $23,652. On December 9, 2010 it filed a further revision to the PILs model, resulting in an amount $27,260.

VECC noted that there were discrepancies remaining between the PILs calculations and the RateMaker model, and invited Hearst Power to provide an explanation. In its reply argument, Hearst Power stated that the model filed on December 9 was incorrect. It stated that problems with its PILs model had been rectified and that the effect on the revenue requirement was a reduction of $20. The submission neglected to say which of the previous calculations was to be reduced by this amount.

Board Findings

The Board accepts Hearst Power's submissions concerning the increase in its OM&A expenses, and its costs of Outside Services including the cost of supporting rate applications. The Board also approves the components of the amount of $935,399 for inclusion in the revenue requirement, except for the following issue.

The Board has noted above its acceptance of Hearst Power's proposed treatment of PST actually paid for capital spending during the first half of 2010. The Board also approves Hearst Power's proposal to remove the PST included in the 2010 OM&A and record actual PST paid in the first six months of 2010 in a deferral account for future recovery. The Board expects that Hearst Power will show in the supporting documentation for the Draft Rate Order that the PST has been effectively excluded from the test year revenue requirement.

The Board directs that depreciation on smart meters installed shall not be included in the revenue requirement, and shall continue to be recorded in account 1555. Hearst Power shall update its depreciation expense to be consistent with the Board's decision on Smart Meters, and the Board expects appropriate supporting documentation with the Draft Rate Order.

[46] Board staff interrogatory #11

The Board does not have evidence on the latest calculation of Hearst Power's PILs expense. In its reply submission, Hearst Power acknowledges that the calculation it had filed was incorrect. It suggests that the inaccuracy was quite small, but it does not make clear whether all three of the inconsistencies identified in VECC's submission were addressed or indeed whether any of them were addressed. In any event, the return on equity is affected by the Board's Decision to not allow smart meter costs in the rate base, and Hearst Power is required to include a revised PILs calculation as a result.

The Board agrees with VECC's submission that more transparency is required with respect to Hearst Power's expenses and revenues related to its affiliates. The Board expects Hearst Power to afford this matter its utmost attention, in particular by ensuring that its records show clearly all costs incurred by Hearst Power that ultimately result in revenue for Hearst Power Sales and Service.

COST OF CAPITAL AND RATE OF RETURN

In the application[47], Hearst Power applied for a 7.31% cost of capital which it expected would produce a return of $179,378[48] . The components of the Cost of Capital requested were:

- Long-term Debt: 5.87%
- Short-term Debt: 2.07%
- Equity : 9.85%

Hearst Power requested approval for a capital structure of 60% debt and 40% equity. It noted that it had a demand promissory note from the Town of Hearst, with a debt rate of 12% p.a. and with the principal variously stated as $1.8 million and $1.7 million. It explained[49] that the promissory note was for $1.8 million with a remaining balance of $1.7 million, and confirmed[50] that the promissory note is payable to the Town on demand.

Hearst Power was asked to explain why[51], in the process of responding to the preliminary interrogatories, it had increased the long-term debt rate from 5.87% in the

[47] Exhibit 5, Tabs 1-3
[48] Exhibit 5, Tab 1, Schedule 2, page 3
[49] Board staff interrogatory # 12 and Board staff supplemental interrogatory # 31
[50] VECC interrogatory #21
[51] Board staff supplemental interrogatory #9 and VECC supplemental interrogatory #40

original filing to 12.5% in the latest filing. Hearst Power responded that the rate should have been set at the Board's prescribed ceiling of 5.87%"and that this had been rectified in its updated filing.

Board staff stated that it had no issue, on the understanding the long term debt calculation is based on $1.7 million and the Board's ceiling rate of 5.87% is used for the revenue requirement VECC concurred with this position. Hearst confirmed that it is seeking approval of this cost of debt.

Board Findings

The Board approves the capital structure of Long Term Debt 56%, Short Term Debt 4%, and Equity 40%. It approves the rate of 5.87% on the Long Term Debt, 2.07% on the Short Term Debt, and 9.85% rate of return on Equity.

COST ALLOCATION AND RATE DESIGN

The following issues are addressed in this section:

- Definition of Intermediate Class
- Revenue to Cost Ratios
- Monthly Fixed and Volumetric Rates
- Transformer Ownership Allowance
- Retail Transmission Service Rates
- Low Voltage Charges
- Loss Factors
- Rate Schedules and Bill Impacts

Intermediate Class

Hearst Power has requested that its Intermediate class be defined by billing demand of 1500 kW in place of 3000 kW. The rationale is that the this billing demand is more than 10% of Hearst Power's average peak load, and that this percentage was also the rationale for the previous definition of the class. Board staff and VECC did not make submissions on this issue.[52]

[52] Exhibit 3, Tab 2, Schedule 1, p. 1

Revenue to Cost Ratios

In the application[53], Hearst Power provided its revenue to cost ratios based on 2006 data. In response to interrogatories, Hearst Power noted[54] that certain updates had not been made in accordance with the Board's guidelines and therefore revisions to the Cost Allocation Study were required. Significant changes to the previously-filed cost allocation methodology were made and updated results were filed on November 24, 2010.[55] At the same time Hearst Power submitted a different set of 2010 distribution rates along with supporting bill impact calculations.[56]

VECC noted that the revenue to cost ratios that would result, if there were a uniform percentage increase in all distribution rates to yield the requested revenue requirement, are found in the updated cost allocation study. The ratios are shown in column 2 of Table 7 below. VECC listed the revenue to cost ratios proposed by Hearst Power for 2010, as ultimately submitted in response to the supplementary round of interrogatories. These ratios are shown in column 3 of Table 7.

VECC expressed doubts about whether the revenues accurately reflected Hearst Power's revised load forecast in the distribution revenues, as well as the Applicant's proposed lower transformer ownership allowance. VECC also noted that total Miscellaneous Revenue was not equal to the updated revenue offset.

Table 7 Revenue to Cost Ratios (%)

Customer Class	Existing (Uniform Increase)	Proposed Ratios
Residential	97.79	100
GS<50 kW	104.40	99
GS > 50 kW	281.76	166
Intermediate	42.99	80
Street Light	18.21	70
Sentinel Light	62.96	70
Total	100.00	100

[53] Exhibit 7
[54] Preamble to Board staff interrogatory #14 and VECC interrogatory #23
[55] Response to Board staff supplemental interrogatory # 32; Hearst Rate Model HP-2010_20101209 worksheet O1.
[56] Responses to Board staff supplemental interrogatories, Appendix 2IR_A; Response to Board staff supplemental interrogatory #1 (RateMaker file 'Suppl IRs_20101122')

In its reply submission, Hearst Power submitted corrected distribution revenues at existing rates. With respect to the revenue offset, the Applicant reiterated that its allocation methodology was reasonable, but it acknowledged VECC's concern about the inconsistent total amount of revenue offset. It proposed to rectify the matter with its draft rate order.

With respect to rate re-balancing VECC questioned whether there was adequate reason to move the ratio for the Residential class upwards. It also submitted that it was inappropriate to move the ratio for the GS<50 kW class in the opposite direction from above 100% to below 100%. Hearst Power submitted that the bill impacts on the Residential class are below 10% and that the economy has been difficult for small business in its service area.

VECC agreed that a substantial decrease in the ratio of the GS > 50 kW class was appropriate, but questioned why it should be moved below the boundary in the Board's policy range. VECC pointed out that the Residential ratio is being increased, apparently to enable this decrease, as the Residential ratio is already within its range.

VECC agreed with the proposal to increase the ratios of the remaining classes to the lower boundary of their respective ranges. It pointed out that increases of larger magnitudes have often been phased in over several years in order to mitigate bill impacts.

Monthly Fixed and Volumetric Rates

The Applicant stated[57] that the fixed rates were established using the guidance provided in the cost allocation model for determining maximal values and minimal values. The proposed approach was to set the fixed rate no higher than the Monthly Service Charge ceiling as calculated in the updated cost allocation model. Board staff noted that the proposed Monthly Service Charge for all classes except Street Lights was within the calculated minimum/maximum range.

The fixed:variable percentage for Residential and Street Light decreased in the proposed design, relative to the existing percentage, while the fixed-rate percentage for all other classes increased – in some cases quite substantially[58]. VECC submitted a

[57] Exhibit 8, Tab 1, Schedule 1
[58] Exhibit 8, Table 8.1.1.2, and updated in response to VECC # 25(g).

table showing the proposed Monthly Service Charges, the range based on the most up-to-date 2010 cost allocation study, and also what the Monthly Service Charge would be if the existing fixed:variable percentage were to be maintained in the new rates.

Where the fixed:variable ratio is being decreased, Hearst Power's rationale was to promote conservation. VECC agreed with this proposal as it affects the Residential class. The fixed:variable ratio for the General Service classes is increased, but the fixed rate would be within the Board's guidelines. For the Intermediate class, maintaining the existing fixed:variable ratio would yield a Monthly Service Charge well below the lower boundary of the policy range. Hearst Power's proposal is a fixed:variable ratio higher than the existing ratio, but with a Monthly Service Charge remaining still below the lower boundary. VECC supported the proposal for the classes other than Residential as well.

With respect to the Intermediate class, Hearst Power clarified that it proposes to move to the lower boundary of the policy range over a period of three years. The proposed Monthly Service Charge is $320 per month. The lower boundary is $543.38 per month.[59]

Transformer Ownership Allowance

Hearst Power proposed to decrease the Transformer Ownership Allowance (TOA) from $0.60 per kW to $0.35 per kW.

Board staff noted that Hearst Power had been asked[60] to provide details of the TOA adjustment it planned to make. Hearst Power's response, reiterated in its reply submission, was that it could not provide calculations supporting the reduction of the TOA. It submitted that "Considering the age of the assets, Hearst considers an allowance of $0.35 to be fair and reasonable." Board staff submitted that this was an inadequate basis and that the Board should reject the requested TOA change.

[59] 'Run 3 2010 Cost Allocation Filing: HPL-2010', worksheet O2.
[60] Board staff supplemental interrogatory #33

Low Voltage Charges

The Applicant stated[61] that it had a 24% over-recovery on its Low Voltage (LV) charges and the current rates were reduced by this percentage to arrive at the proposed rate. It submitted a forecast 2010 cost of $77,713[62]. VECC submitted that there were inconsistencies in the information provided in support of this estimate, initially in terms of the Hydro One rates used and later in terms of the updated load forecast.

Hearst Power acknowledged VECC's argument, and submitted a revised forecast of its costs at $53,000. It pointed to an appendix which would show the details, though no appendix was found. It proposed to update the values of LV charges. [63]

Loss Factors

The total loss factor currently approved for Hearst Power is 1.0509. Hearst Power provided detailed calculations in support of the requested Loss Factors. Hearst Power originally proposed a 5-year average rate of 1.0419 based on the 2004-2008 Total loss factors. It changed its request to 1.0460 in the update filed in response to Board staff supplemental interrogatories.[64]

Board staff asked why Hearst Power's Total Loss Factor was trending upwards over time and, while not addressing the reason(s) behind the upward trend, Hearst Power stated[65] it had made an error in using the 2004-2008 average (which produced the 1.0419 value). Hearst Power stated it should instead have used the 2005-2009 average. Board staff noted that because the 2009 Total Loss Factor had suddenly increased to 1.0563 (which is in excess of the Board's 5% threshold), the new 5-year average increased to 1.0460 and is the new value for which Hearst Power requested approval. This is also the value it utilized both in the latest-filed rate schedule[66] and in its cost of power calculations. Board staff noted that, if Hearst Power had filed its application on time, the 2009 value would not have been known and the updated value would not have been an issue. It submitted that the appropriate loss factor value would be 1.0419. Board staff further submitted that Hearst Power should, before its next cost

[61] Exhibit 8, Tab 1, Schedule 3
[62] VECC interrogatory #25
[63] Hearst Power Reply Submission, p. 26.
[64] Exhibit 8, Tab 1, Schedule 4; response to Board staff supplemental interrogatory # 1, Appendix 2IR_A.
[65] Board staff supplemental interrogatory #34
[66] Appendix 2IR_A

of power rates application, undertake a study to examine its losses and file a report with the Board detailing the actions it has completed and has planned to undertake in the two years following the issuance of the report.

VECC supported the proposed loss factors.

Hearst Power argued that its proposed loss factor is less than 1.05, though the 2009 statistic is above this amount. It submitted that the requirement for a study is inappropriate.

Retail Transmission Service Rates

Hearst Power filed evidence[67] which showed that it has been over-recovering on its Retail Transmission Service Rates (RTSR). The data showed the RTSR network charge over-recovery was 3.86% and the RTSR line connection charge over-recovery was 18.08%. As a consequence, Hearst Power proposed a reduction in its RTSRs. Hearst Power is an embedded distributor and is served by Hydro One Distribution at its Retail Transmission Service Rates applicable to the Sub-transmission class. It provided two updates to its RTSR calculations, in response to an interrogatory and a supplemental interrogatory from VECC[68]. The cost calculations show a component of cost from the IESO, due to provision of service from Hydro One Transmission, as well as a component from Hydro One Distribution.

Board staff stated it did not have an issue with the ultimately-proposed RTSRs. VECC submitted that the calculation of Hearst Power's cost did not show clearly that the proposal was based on Hydro One's 2010 rates and Hearst Power's 2009 volumes. Hearst Power submitted in reply that it had used the 2010 rates together with 24 months of historic data, and that this provided an appropriate methodology that has been used by other utilities.

[67] Exhibit 8, Tab 1, Schedule 2
[68] VECC interrogatories #7 and #27; VECC supplemental interrogatory #49

Rate Schedules and Bill Impacts

The Applicant provided a table of the bill impacts for Residential customers using 800 kWh per month. While delivery charges were shown to increase by 20.82% ($3.66 per month), the total bill averaged over winter and summer increased by 2.73% ($2.33 per month).

In its application[69], Hearst Power purported to reconcile the proposed rates but no actual comparison of the expected revenue and the revenue requirement was provided. It later provided a reconciliation[70] of its proposed rates and forecast volumes in response to interrogatories. While the reconciliation showed that the calculated and allocated values were very close, Board staff observed that the variable rates used for most of the customer classes in the calculations did not match those in the latest-filed rate schedule[71]. Updated bill impact calculations were provided by Hearst Power in the RateMaker model filed on December 9, 2010. The model shows bill impacts for one customer per class, except for the Residential class with two examples.

The total bill impacts calculated in Hearst Power's RateMaker model are shown in Table 8. The impacts include the effect of rebates of Deferral and Variance account balances per Hearst Power's application.

Table 8 Bill Impacts

Rate Class	Delivery Bill Impact	Total Bill Impact
Residential *	25.1 %	6.1 %
GS<50 kW	21.8 %	3.9%
GS>50 kW	(14.5 %)	(2.9 %) **
Intermediate	(1.4 %)	(0.6 %)
Sentinel Lights	25.6 %	7.2 %

* Winter rates, 1000 kWh per month

** calculation provided by Board staff

Board staff submitted that in order to give the Board a degree of confidence in the rates being proposed, Hearst Power should provide a reconciliation utilizing the latest-filed load forecast[72] and the updated proposed rate schedule.

[69] Exhibit 8, Tab 1, Schedule 5, and Appendix 6, submitted May 25, 2010. Updated November 22, 2010, in response to Board staff supplemental interrogatory # 1, 'EDR_SUPPL IRs_20101122'
[70] Board staff supplemental interrogatory #18 and VECC supplemental interrogatory #37
[71] Appendix 2IR_A
[72] Appendix 2IR_F

VECC noted that the updated record did not include a calculation of the bill impact on Street Lights. Hearst Power proposed to produce this information with its draft rate order.

Board Findings

The Board finds that the definition of the Intermediate class with billing demand above 1500 kW is appropriate, as proposed by Hearst Power.

In the following directions regarding revenue to cost ratios and rate re-balancing, the Board accepts as the starting point the values in Table 7 above. The Board agrees with VECC that Hearst Power has not established an adequate basis for increasing the revenue to cost ratio of the Residential class above its current amount, and directs Hearst Power to maintain the ratio at 98%. The Board also agrees with VECC concerning the reduction in the revenue to cost ratio for the General Service < 50 kW class, and directs that the ratio be moved to100% rather than below. The Board accepts the applicant's proposed revenue to cost ratios Sentinel Lighting, with a ratio of 70%.

With respect to the Intermediate class the Board notes that the revenue to cost ratio for the Intermediate class was calculated at 78.60% in Hearst's application (2006 results, after correction for the Transformer Ownership Allowance)[73]. The 2010 ratio was subsequently calculated at 111.16%, based on a uniform percentage increase in rates to satisfy the total revenue requirement.[74] Hearst Power confirmed in response to Board staff supplemental interrogatory #32 that the re-filed rates were based on the latter cost allocation results. However, Hearst Power filed another cost allocation study, in which the Intermediate class revenue to cost ratio would be 42.99%[75] after a uniform percentage adjustment. The rates proposed for the Intermediate class are consistent with an increase of the ratio from a starting point of 43%, and not consistent with a starting point of 111%. The Board approves a revenue to cost ratio for the Intermediate class of 80% as proposed by Hearst Power, on the understanding that the ratio of the Intermediate class is 43% and all ratios before re-balancing are those presented in Table 7 above.

[73] Application, Table 7.1.1.1
[74] Appendix BS-K of Responses to VECC interrogatories (p. 12)
[75] Response to Board staff supplemental interrogatory # 1, 'Rate Model_HPL-2010' filed December 9, 2010.

The Board finds that the changes proposed for Street Lights shall be phased in over two years. The revenue to cost ratio for Street Lights shall be 50% for 2010 rates, continue at 50% for 2011 rates, and shall be increased to 70% with the 2012 rates.

The Board understands that the outcome of the ratios ordered in this and the previous paragraphs may result in a higher or lower ratio for the General Service > 50 kW class than was proposed by the Applicant. For 2010 and 2011, Hearst Power shall demonstrate what ratio is achieved as a net outcome of the re-balancing of the other classes. With 2012 rates, Hearst Power will achieve a revenue to cost ratio of no higher than 180% for the General Service > 50 kW class, and if necessary to attain this ratio it may raise the Residential ratio toward 100%.

Hearst Power is directed to include documentation with its Draft Rate Order to support its revenue to cost ratios and the resulting distribution rates and revenues for all classes. It will show the revenue to cost ratios in which revenues are compared to the results of Hearst Power's most up-to-date cost allocation study.

The Board accepts Hearst Power's rate design with respect to fixed and variable proportions for each class. In particular, it accepts the proposal to increase the Monthly Service Charge to the Intermediate class to ultimately be equal to $543.38 plus IRM increases, within three years following this rate re-basing, and it recognizes that the volumetric rate to this class will likely increase by a lower percentage amount than the fixed charge while that adjustment is being made.

The Board does not accept Hearst Power's proposal that the Transformer Ownership Allowance should be reduced to $0.35 per kW. The Board notes that the cost allocation study submitted by Hearst Power shows the cost of line transformers to the General Service > 50 kW class is $0.45 per kW. The study does not show a corresponding number for the Intermediate class, perhaps because the distributor provides no transformers to the customers in that class. The Board directs Hearst Power to set the monthly Transformer Ownership Allowance at $0.45 per kW, on the basis that this is the outcome of the updated cost allocation study filed in support of this Application.[76]

The Board accepts Hearst Power's revised forecast of its Low Voltage cost at $53,000 per year. It expects that the documentation supporting the Draft Rate Order will show

[76] Response to Board staff supplemental interrogatory # 1 'Rate Model_HPL-2010' filed December 9, 2010, worksheet O3.1 'Line Tran Unit Cost'.

clearly that this cost has been used in the calculation of the Low Voltage Service Rates in the tariff.

The Board notes that Hearst Power is requesting a substantial decrease in its Total Loss Factor. The calculation includes one year of high actual losses that is hopefully not an indication of future losses. The Board will accept the proposed Total Loss Factor of 1.0460 for secondary-metered customers and the corresponding factor for primary-metered customers.

With respect to Retail Transmission Service Rates, the Board notes that new Uniform Transmission Service Rates have been approved by the Board, and that the IESO will charge these rates to Hearst Power in 2011 which will affect the relevant portion of the wholesale cost,. Given the effective date of Hearst Power's rates, it is evident that an update of the calculation submitted by the Applicant should be done. Hearst Power's proposed Retail Transmission Service Rates are approved, with this adjustment. The revised calculation is to be documented with the Draft Rate Order.

The Board notes that it would have been helpful if Hearst Power's reply submission had included an indication of the bill impact on the Street Light class, which VECC had pointed out was missing from the updated evidence filed on December 9, 2010. In the absence of this information, the Board has only the impact calculation filed with the original application, which showed a 57% impact.[77] Given that the Board has specified a revenue to cost ratio of 50% in 2010 and 2011, the Board expects that the bill impact on Street Lights will be lower than 57%.

DEFERRAL AND VARIANCE ACCOUNTS

General Rate Rider

Hearst Power identified[78] the deferral accounts it proposed to dispose of over a four year period and those accounts for which it proposed to wait for the Board's direction. Board staff noted there was a lack of clarity in the application regarding the nature of some of the account balances that the Applicant proposed to clear; and that the calculation of the proposed four-year rate riders was not transparent.

[77] Appendix 6, p. 836 of 837.
[78] Exhibit 9, Tab 1, Schedule 3

Hearst Power subsequently provided a detailed explanation[79] regarding how it proposed to clear its deferral and variance accounts. It also stated that it was not opposed to Board staff's suggestion regarding the establishment of a variance account to capture the reduction in OM&A and capital expenditures due to HST, though its preference would be to use the method proposed by Renfrew Hydro[80]; i.e. the establishment of a variance account to track the Input Tax Credits ("ITCs") on revenue requirement items that were previously subject to PST).

Board staff submitted it had no issue with Hearst Power's proposed clearance of its deferral and variance accounts and the calculation method of its proposed rate riders.

Hearst Power calculated[81] the applicable rate rider for the Global Adjustment and verified that it would only apply prospectively to non-RPP customers, in the non-MUSH sector ("Municipalities, Universities, Schools and Hospitals").

Hearst Power provided a calculation of its proposed rate riders, based on disposition of accounts 1508, 1518, 1525,1548, 1550, 1565, 1566, RSVA accounts, and 1598, in response to a supplementary interrogatory.[82] The inputs to the calculation do not include a balance for account 1598. VECC submitted that its only concern was the inclusion of accounts 1570 and 1571 in the list of accounts for disposition. These accounts are for pre-market and transition costs which require a prudence review prior to disposition. Hearst Power replied that the inclusion of the accounts resulted from a misunderstanding and that it did not seek disposition at this time.

VECC also expressed its reservations about the length of the proposed disposition over four years, and suggested that a shorter period should be considered in the interests of inter-generational equity. Hearst Power replied that its objective was to maintain rate stability throughout the period until its next re-basing.

Establish a Deferral Account for Unforeseen Considerations

In its application[83], Hearst Power requested approval "To establish a deferral account to be used for reasonable costs not allowed by the Board because of considerations not

[79] Board staff supplemental interrogatory #37
[80] EB-2009-0146, Exhibit 9, Tab 1, Schedule 1, pp. 2-3
[81] Board staff supplemental interrogatory #40
[82] The combined balance is approximately $35,000. Reference: Appendix 2IR_I, worksheet C6.
[83] Exhibit 1, Tab 1, Schedule 4, Page 2, List of Specific Approvals Requested, item #12

foreseen by the applicant".
Hearst Power[84] was asked to provide further details of its request and, in particular, to identify what types of circumstances the account is meant to address and how these circumstances would differ from those applicable for a Z-factor adjustment. Board staff and VECC submitted that the Board had already provided adequate mechanisms to handle contingencies and that the Board should not approve the additional deferral account.

Smart Meter Riders

In its application[85], Hearst Power stated that it began installing smart meters in March 2009. By 2009 year end, 86% of the meters were installed and by 2010 year end, 100% (2,751 meters) were forecasted to be installed. In its application, Hearst Power requested approval to discontinue the smart meter $1.00 per month funding adder for all metered customers.

Board Findings

Hearst Power requested a deferral account to record the cost of unforeseen events. The Board agrees with VECC and Board staff that the account is not necessary. In Section 2.6 of the *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors,* dated July 14, 2008 the Board noted that Z-factors are intended to provide for unforeseen events outside of management's control. The Board does not approve Hearst Power's request for a new deferral account for unforeseen events because it would be redundant.

As noted earlier in this Decision, the Board will approve the inclusion of actual PST paid in the first six months of 2010 in a deferral account for future recovery.

The Board has declined Hearst Power's request to transfer smart meter balances to its rate base. The Board directs that Hearst Power continue to track revenues received from the smart meter funding adder, and actual costs incurred, in the established smart meter related variance accounts, for review and disposition in a subsequent application. The Board notes that the schedule for smart meters implementation indicates that installation should be completed or close to completion by the date of this Decision, and

[84] VECC interrogatory #2
[85] Exhibit 9, Tab 1, Schedule 4

that Hearst Power will be in a position to file a stand-alone application for the disposition of balances in the smart meter deferral and variance accounts (1555 and 1556) and the establishment of smart meter incremental revenue requirement rate rider. The rate rider would proxy the revenue requirement going forward for all smart meters installed, to be in effect until Hearst Power's next rebasing application. The Board reminds Hearst Power that such an application must meet the requirements contained in Guideline G-2008-0002 in order to enable the Board to conduct a prudence review.

In the meantime, the Board will approve a smart meter funding adder of $2.50 per metered customer per month. This funding adder will replace the existing smart meter funding adder of $1.00 per metered customer per month. The Board will approve this smart meter funding adder until April 30, 2012 or until such time that the Board approves the disposition of balances in variance accounts 1555 and 1556 and the establishment of smart meter incremental revenue requirement rate rider.

In approving this smart meter funding adder**, t**he Board has not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered at the time that Hearst Power applies for the recovery of these costs.

The Board approves rate riders designed to dispose of the accounts in Hearst Power's revised list, which it understands no longer includes accounts 1570 and 1571. The Board expects that Hearst Power will include an explanation of account 1598, will show clearly what the balance is in that account, and will show how the rate riders are calculated for each rate class whose rate riders are affected by it. If the inclusion of account 1598 has a material effect on the rate riders, Hearst Power shall include two calculations, one with it included and one with it excluded.

The Board finds that the recovery period of four years is longer than necessary. It will approve rate riders designed to recover the balance over a 27-month period, beginning from the effective date of this Decision and continuing through the 2011 and 2012 rate years, and ending on April 30, 2013.

IMPLEMENTATION OF RATES

Earlier in this Decision, the Board approved February 1, 2011 as the effective date for the rate changes. Given the time that is required for the process leading to the issuance of a rate order and the need for Hearst Power to implement the new rates into their billing systems, it may not be possible to implement the new rates until April 1, 2011. The foregone distribution revenue from February 1, 2011 to March 31, 2011 shall be recovered through a rate rider in effect from April 1, 2011 to April 30, 2012. If the implementation date of April 1, 2011 is not feasible, Hearst Power shall provide the intended implementation date in its Draft Rate Order; however this date should be as soon as possible.

The Board's findings outlined in this Decision are to be reflected in a Draft Rate Order. The Board directs Hearst Power to file detailed supporting material, including an updated PILs calculation, updated Revenue Requirement Work Form, allocation of the approved revenue requirement to the classes, determination of the final rates and rate riders, and bill impacts.

A Rate Order will be issued after the steps set out below are completed.

THE BOARD DIRECTS THAT:

1. Hearst Power shall file with the Board, and shall also forward to VECC, a Draft Rate Order attaching a proposed Tariff of Rates and Charges and other filings reflecting the Board's findings in this Decision within 14 days of the date of this Decision.

2. Board staff and VECC shall file any comments on the Draft Rate order with the Board and forward them to Hearst Power within 7 days of the date of filing of the Draft Rate Order.

3. Hearst Power shall file with the Board and forward to VECC, responses to any comments on its Draft Rate Order within 7 days of the date of receipt of intervenor submissions.

COST AWARDS

The Board may grant cost awards to eligible stakeholders pursuant to its authority under section 30 of the *Ontario Energy Board Act, 1998*. The Board will determine cost awards in accordance with its Practice Direction on Cost Awards. When determining the amounts of the cost awards, the Board will apply the principles set out in section 5 of the Board's Practice Direction on Cost Awards. The maximal hourly rate set out in the Board's Cost Awards Tariff will also be applied.

VECC submitted that its participation in this proceeding had been focused and responsible, and accordingly requested a 100% award of its reasonably-incurred fees and disbursements.

A cost awards decision will be issued after the following steps have been completed.

1. VECC shall file with the Board, and forward to Hearst Power, its cost claims within 10 days from the date of the Rate Order

2. Hearst Power shall file with the Board and forward to VECC, any objections to the claimed costs within 17 days from the date of the Rate Order

3. VECC shall file with the Board and forward to Hearst Power any responses to any objections for cost claims within 24 days of the date of the Rate Order.

Hearst Power shall pay the Board's costs incidental to this proceeding.

All filings to the Board must quote the file number, EB-2009-0266, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and email address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available parties may email documents to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Attention: Board Secretary
E-mail: Boardsec@oeb.gov.on.ca
Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

DATED at Toronto, February 15, 2011
ONTARIO ENERGY BOARD

Original Signed By

_____
Marika Hare
Presiding Member

Original Signed By

_____
Ken Quesnelle
Member

Attachment 5 of 6

Past Decision EB-2010-0295

Ontario Energy Board

Commission de l'énergie de l'Ontario

Ontario

EB-2010-0295

IN THE MATTER OF a proceeding initiated by the Ontario Energy Board to determine whether the costs and damages incurred by electricity distributors as a result of the April 21, 2010 Minutes of Settlement in the late payment penalty class action, as further described herein, are recoverable from electricity distribution ratepayers, and if so, the form and timing of such recovery.

BEFORE: Paul Sommerville
Presiding Member

Karen Taylor
Member

RATE ORDER

On October 29, 2010 the Ontario Energy Board (the "Board") issued a Notice of Proceeding on its own motion to determine (i) whether Affected Electricity Distributors should be allowed to recover from their ratepayers the costs and damages incurred in the Late Payment Penalty (LPP) Class Action, and if so, (ii) the form and timing of such recovery. This proceeding was commenced pursuant to sections 19 and 78(2) of the *Ontario Energy Board Act*, 1998.

For purposes of this proceeding, "Affected Electricity Distributors" means licensed Ontario electricity distributors that were named as defendant class members in Schedule F of the Minutes of Settlement approved on April 21, 2010 by the Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice (Court File No. 94-CQ-50878) and as amended by addenda dated July 7, 2010 and July 8 (the "Minutes of Settlement").

On February 22, 2011 the Board issued its Decision and Order in the above matter and found that the costs and damages arising from the LPP Class Action are recoverable from ratepayers. The costs approved for recovery for each Affected Electricity Distributor were provided in Appendix A to that Decision and Order.

With respect to how the rate riders are to be incorporated in the Tariff of Rates and Charges of each Affected Electricity Distributor, the Board made a distinction between those Affected Electricity Distributors that have a 2011 Incentive Rate Mechanism ("IRM") or cost of service application before the Board at the time the Decision and Order was issued and those Affected Electricity Distributors that do not have such an application before the Board.

Affected Electricity Distributors that currently have a 2011 IRM or cost of service rate application before the Board were directed to file with the Board detailed calculations outlining the derivation of the rate riders in each of their respective IRM or cost of service applications. The rate rider calculations for these distributors will be reviewed as part of their respective 2011 IRM or cost of service applications and will be incorporated in the Tariff of Rates and Charges to be approved as part of those proceedings.

Those Affected Electricity Distributors that were not part of the above category were directed to file as part of this proceeding, their LPP rate rider calculations and a Tariff of Rates and Charges incorporating the LPP rate riders. The Board ordered:

> *[T]he Board directs these distributors to file with Board within seven days of the date of this Decision and Order, detailed calculations including supporting documentation outlining the derivation of the rate riders based on the methodology outlined in this Decision. These distributors shall also file a draft tariff of rates and charges that includes the proposed rate riders. Intervenors and Board staff wishing to make submissions on the information filed shall do so within six days of the filing. The Affected Electricity Distributor shall have nine days from the date of the filing to respond to any submissions.*

This Rate Order pertains to Affected Electricity Distributors in the latter category. They are:

- Clinton Power Corporation
- Hearst Power Distribution Co. Ltd.

- Newmarket-Tay Power Distribution Ltd.
- Norfolk Power Distribution Inc.
- Ottawa River Power Corporation
- West Perth Power Inc.
- Whitby Hydro Electric Corporation

Norfolk Power Distribution Inc. and Newmarket-Tay Power Distribution Ltd. subsequently filed a letter with the Board advising that they are no longer seeking to recover the costs and damages arising from the LPP Class Action.

Pursuant to the Board's Decision and Order, Clinton Power Corporation, Hearst Power Distribution Co. Ltd., Ottawa River Power Corporation, West Perth Power Inc. and Whitby Hydro Electric Corporation filed their respective LPP rate rider calculations and Tariff of Rates and Charges, incorporating the LPP rate riders.

The Board received submissions from Board staff in relation to this matter. Board staff's submissions focused on implementation matters.

As part of each of their rate order filings, Ottawa River Corporation and Hearst Power Distribution Co. Ltd. sought approval to record in a deferral account the costs related to the publication of the Board's Notice of Proceeding (the "Notice") in this matter. The Board denies this request. In the Board's view such costs should be managed within each distributor's regulatory budget.

The Board has reviewed the calculations supporting the derivation of the LPP rate riders and is satisfied that the respective Tariffs of Rates and Charges reflect the Board's Decision and Order.

THE BOARD ORDERS THAT:

1. The new distribution rates incorporating the LPP rate riders for Clinton Power Corporation, Hearst Power Distribution Co. Ltd., Ottawa River Power Corporation, West Perth Power Inc. and Whitby Hydro Electric Corporation shall be effective May 1, 2011.

2. The Tariffs of Rates and Charges set out in Appendices "A" to "E" of this Order are approved and supersede all previous Tariffs of Rates and Charges approved

by the Board for each of Clinton Power Corporation, Hearst Power Distribution Co. Ltd., Ottawa River Power Corporation, West Perth Power Inc. and Whitby Hydro Electric Corporation, respectively and are final in all respects.

3. Each of Clinton Power Corporation, Hearst Power Distribution Co. Ltd., Ottawa River Power Corporation, West Perth Power Inc. and Whitby Hydro Electric Corporation shall notify their customers of their rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 18, 2011
ONTARIO ENERGY BOARD

Original Signed by

Kirsten Walli
Board Secretary

APPENDIX A TO RATE ORDER

TARIFF OF RATES AND CHARGES
CLINTON POWER CORPORATION

EB-2010-0295

DATED, April 18, 2011

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	12.30
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.16
Distribution Volumetric Rate	$/kWh	0.0136
Low Voltage Service Rate	$/kWh	0.0031
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kWh	0.0007
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	$/kWh	0.0033
Retail Transmission Rate – Network Service Rate	$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0013

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	24.17
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.35
Distribution Volumetric Rate	$/kWh	0.0131
Low Voltage Service Rate	$/kWh	0.0025
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	$/kWh	0.0033
Retail Transmission Rate – Network Service Rate	$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0012

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	42.44
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	5.35
Distribution Volumetric Rate	$/kW	4.6338
Low Voltage Service Rate	$/kW	1.1697
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kW	0.1017
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	$/kW	1.0997
Retail Transmission Rate – Network Service Rate	$/kW	2.0227
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.4787

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	12.09
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.12
Distribution Volumetric Rate	$/kWh	0.0094
Low Voltage Service Rate	$/kWh	0.0084
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kWh	0.0007
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	$/kWh	0.0032
Retail Transmission Rate – Network Service Rate	$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0013

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	0.2799
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.01
Distribution Volumetric Rate	$/kW	0.5405
Low Voltage Service Rate	$/kW	1.4814
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kW	0.0357
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	$/kW	1.1190
Retail Transmission Rate – Network Service Rate	$/kW	1.5366
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.3778

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	0.21
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.00
Distribution Volumetric Rate	$/kW	21.6340
Low Voltage Service Rate	$/kW	0.8602
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kW	1.7878
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	$/kW	1.1609
Retail Transmission Rate – Network Service Rate	$/kW	1.5287
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.3701

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Arrears certificate	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	30.00
Disconnect/Reconnect at meter – during regular hours	$	65.00
Disconnect/Reconnect at meter – after regular hours	$	185.00
Service call – customer-owned equipment	$	30.00
Service call – after regular hours	$	165.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Clinton Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0262
EB-2010-0295

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0554
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0340

APPENDIX B TO RATE ORDER

TARIFF OF RATES AND CHARGES
HEARST POWER DISTRIBUTION CO. LTD.

EB-2010-0295

DATED, April 18, 2011

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	9.00
Smart Meter Funding Adder	$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.30
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	0.24
Distribution Volumetric Rate	$/kWh	0.0156
Low Voltage Service Rate	$/kWh	0.0007
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0043)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kWh	0.0009
Retail Transmission Rate – Network Service Rate	$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0044

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	19.50
Smart Meter Funding Adder	$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.54
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	2.24
Distribution Volumetric Rate	$/kWh	0.0066
Low Voltage Service Rate	$/kWh	0.0006
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0040)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0040

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

GENERAL SERVICE 50 to 1,499 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1500 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	66.00
Smart Meter Funding Adder	$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	5.35
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	5.63
Distribution Volumetric Rate	$/kW	2.7945
Low Voltage Service Rate	$/kW	0.2270
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(1.3889)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kW	0.0079
Retail Transmission Rate – Network Service Rate	$/kW	1.9563
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.5861

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

INTERMEDIATE USERS SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 1500 kW but less than 5000 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	220.00
Smart Meter Funding Adder	$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	26.28
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	25.06
Distribution Volumetric Rate	$/kW	1.0077
Low Voltage Service Rate	$/kW	0.2677
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(1.2268)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kW	0.0671
Retail Transmission Rate – Network Service Rate	$/kW	2.1880
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.8708

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	7.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.16
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	0.46
Distribution Volumetric Rate	$/kW	3.0778
Low Voltage Service Rate	$/kW	0.1791
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(5.5214)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kW	0.2111
Retail Transmission Rate – Network Service Rate	$/kW	1.4829
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2404

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	5.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.02
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$	0.69
Distribution Volumetric Rate	$/kW	1.6027
Low Voltage Service Rate	$/kW	0.1755
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(3.1332)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	$/kW	0.0772
Retail Transmission Rate – Network Service Rate	$/kW	1.4753
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2151

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$	(0.45)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Arrears Certificate	$	15.00
Easement Letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned Cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – no disconnection	$	30.00
Disconnect/Reconnect at Meter - during Regular Hours	$	40.00
Disconnect/Reconnect at Meter - after Regular Hours	$	time and materials
Install/Remove load control device – during regular hours	$	40.00
Temporary service install and remove – overhead – no transformer	$	time and materials
Temporary service install and remove – underground – no transformer	$	time and materials
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective & Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0266
EB-2010-0295

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0460
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0356
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

APPENDIX C TO RATE ORDER

TARIFF OF RATES AND CHARGES
OTTAWA RIVER CORPORATION

EB-2010-0295

DATED, April 18, 2011

Ottawa River Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0165
EB-2010-0295

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:
- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	10.95
Smart Meter Funding Adder	$	1.54
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.15
Distribution Volumetric Rate	$/kWh	0.0149
Low Voltage Service Rate	$/kWh	0.0011
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013 Applicable only for Non-RPP Customers	$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0197)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0023

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0022
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Ottawa River Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0165
EB-2010-0295

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW, and, Town Houses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:
- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	22.41
Smart Meter Funding Adder	$	1.54
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.30
Distribution Volumetric Rate	$/kWh	0.0103
Low Voltage Service Rate	$/kWh	0.0010
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013 Applicable only for Non-RPP Customers	$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0067)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0021

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0022
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Ottawa River Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0165
EB-2010-0295

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load equal to or greater than 50 kW but less than 5,000kW. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:
- 120/240 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Depending upon the location of the building, primary supplies to transformers and customer owned Sub-Stations will be one of the following as determined by the Distributor:
- 7,200/12,400 volts 3 phase 4 wire
- 44,000 volts 3 phase 3 wire

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	369.56
Smart Meter Funding Adder	$	1.54
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	3.82
Distribution Volumetric Rate	$/kW	0.6331
Low Voltage Service Rate	$/kW	0.3954
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013 Applicable only for Non-RPP Customers	$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(1.2203)
Retail Transmission Rate – Network Service Rate	$/kW	1.7987
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.8304

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0022
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Ottawa River Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0165
EB-2010-0295

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	$	6.10
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.08
Distribution Volumetric Rate	$/kWh	0.0020
Low Voltage Service Rate	$/kWh	0.0010
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013 Applicable only for Non-RPP Customers	$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0097)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0021

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0022
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Ottawa River Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2009-0165
EB-2010-0295

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	2.54
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.02
Distribution Volumetric Rate	$/kW	7.6910
Low Voltage Service Rate	$/kW	0.3121
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013		
Applicable only for Non-RPP Customers	$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(8.5016)
Retail Transmission Rate – Network Service Rate	$/kW	1.3633
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.6554

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0022
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Ottawa River Power Corporation
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Effective and Implementation Date May 1, 2011

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EB-2009-0165
EB-2010-0295

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per OEB Street lighting load shape. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	1.48
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.01
Distribution Volumetric Rate	$/kW	8.1426
Low Voltage Service Rate	$/kW	0.3057
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013		
Applicable only for Non-RPP Customers	$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	0.8857
Retail Transmission Rate – Network Service Rate	$/kW	1.3564
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.6420

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0022
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Ottawa River Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0165
EB-2010-0295

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Ottawa River Power Corporation
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EB-2009-0165
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration		
Arrears Certificate	$	15.00
Account History	$	15.00
Returned Cheque Charge (plus bank charges)	$	15.00
Legal letter charge	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	30.00
Disconnect/Reconnect Charges at meter - During Regular Hours	$	65.00
Disconnect/Reconnect Charges at meter - After Hours	$	185.00

Ottawa River Power Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2009-0165
EB-2010-0295

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0390
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0286

APPENDIX D TO RATE ORDER

TARIFF OF RATES AND CHARGES
WEST PERTH POWER INC.

EB-2010-0295

DATED, April 18, 2011

West Perth Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0121
EB-2010-0295

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	13.61
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.22
Distribution Volumetric Rate	$/kWh	0.0098
Low Voltage Service Rate	$/kWh	0.0015
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0046

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

West Perth Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0121
EB-2010-0295

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	11.95
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.54
Distribution Volumetric Rate	$/kWh	0.0147
Low Voltage Service Rate	$/kWh	0.0010
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0041

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

West Perth Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2010-0121
EB-2010-0295

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	204.84
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	9.17
Distribution Volumetric Rate	$/kW	2.2348
Low Voltage Service Rate	$/kW	0.3691
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kW	0.0211
Retail Transmission Rate – Network Service Rate	$/kW	2.0261
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.6457

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

West Perth Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2010-0121
EB-2010-0295

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone boots, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	0.67
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.01
Distribution Volumetric Rate	$/kWh	0.0258
Low Voltage Service Rate	$/kWh	0.0011
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kWh	0.0020
Retail Transmission Rate – Network Service Rate	$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0023

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

West Perth Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2010-0121
EB-2010-0295

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	0.0000
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.00
Distribution Volumetric Rate	$/kW	7.4554
Low Voltage Service Rate	$/kW	0.4254
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kW	0.5056
Retail Transmission Rate – Network Service Rate	$/kW	1.5359
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2989

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

West Perth Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2010-0121
EB-2010-0295

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	0.31
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.01
Distribution Volumetric Rate	$/kW	19.2657
Low Voltage Service Rate	$/kW	0.4088
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	$/kW	1.5291
Retail Transmission Rate – Network Service Rate	$/kW	1.5280
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2723

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

West Perth Power Inc.
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EB-2010-0121
EB-2010-0295

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

West Perth Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2010-0121
EB-2010-0295

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Arrears certificate	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	30.00
Disconnect/Reconnect charges for non payment of account - At Meter – during regular hours	$	65.00
Disconnect/Reconnect charges for non payment of account - At Meter – after regular hours	$	185.00
Service call – customer owned equipment	$	30.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

West Perth Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2010-0121
EB-2010-0295

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0314
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0211

APPENDIX E TO RATE ORDER

TARIFF OF RATES AND CHARGES
WHITBY HYDRO ELECTRIC CORPORATION

EB-2010-0295

DATED, April 18, 2011

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0274
EB-2010-0295

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to detached, semi-detached or freehold townhouse dwelling units. Energy is supplied to residential customers as single phase, three wire, 60 Hertz, having a normal voltage of 120/240 Volts up to a maximum of 600 Amps per dwelling unit. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	17.24
Smart Meter Funding Adder	$	2.13
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.19
Distribution Volumetric Rate	$/kWh	0.0141
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	$/kWh	(0.0017)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until December 31, 2012	$/kWh	0.0005
Retail Transmission Rate – Network Service Rate	$/kWh	0.0066
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0055

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0274
EB-2010-0295

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, shall include small apartment buildings and smaller commercial, industrial, and institutional developments. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	19.80
Smart Meter Funding Adder	$	2.13
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.52
Distribution Volumetric Rate	$/kWh	0.0194
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	$/kWh	(0.0018)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0050

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0274
EB-2010-0295

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW and includes apartment buildings, and commercial, industrial, and institutional developments. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	191.34
Smart Meter Funding Adder	$	2.13
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	5.09
Distribution Volumetric Rate	$/kW	3.9178
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	$/kW	(0.6875)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until December 31, 2012	$/kW	0.0153
Retail Transmission Rate – Network Service Rate	$/kW	2.4275
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.9420

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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EB-2009-0274
EB-2010-0295

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, decorative lighting, billboards, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	9.28
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.19
Distribution Volumetric Rate	$/kWh	0.0302
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	$/kWh	(0.0018)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0050

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0274
EB-2010-0295

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per light)	$	4.05
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.02
Distribution Volumetric Rate	$/kW	10.9830
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	$/kW	(0.4912)
Retail Transmission Rate – Network Service Rate	$/kW	1.8401
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.5328

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0274
EB-2010-0295

STREET LIGHTING SERVICE CLASSIFICATION

This classification relates to the supply of power for street lighting installations. Street lighting design and installations shall be in accordance with the requirements of Whitby Hydro, Town of Whitby specifications and ESA. The Town of Whitby retains ownership of the street lighting system on municipal roadways. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per light)	$	1.36
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.01
Distribution Volumetric Rate	$/kW	5.4070
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	$/kW	(0.7408)
Retail Transmission Rate – Network Service Rate	$/kW	1.8307
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.5013

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0274
EB-2010-0295

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0274
EB-2010-0295

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Customer Administration		
Arrears certificate	$	15.00
Statement of Account	$	15.00
Pulling post dated cheques	$	15.00
Easement Letter	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Returned cheque charge (plus bank charges)	$	15.00
Special meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Legal letter charge	$	15.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	30.00
Collection of account charge – no disconnection after regular hours	$	165.00
Disconnect/Reconnect Charge at meter – during regular Hours	$	65.00
Disconnect/Reconnect Charge at meter – after regular hours	$	185.00
Disconnect/Reconnect Charge at pole – during regular hours	$	185.00
Disconnect/Reconnect Charge at pole – after hours	$	415.00
Install/Remove load control device – during regular hours	$	65.00
Install/Remove load control device – after regular hours	$	185.00
Service call – customer-owned equipment	$	30.00
Service call – after regular hours	$	165.00
Temporary service install & remove – overhead – no transformer	$	500.00
Temporary service install & remove – underground – no transformer	$	300.00
Temporary service install & remove – overhead – with transformer	$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Whitby Hydro Electric Company
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0274
EB-2010-0295

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing - monthly charge per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing – monthly credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0454
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0349

Attachment 6 of 6

2010 Draft Rate Order

Hearst Power Distribution Company Limited
925 Rue Alexandra Street
Hearst Ontario

March 31, 2011

Ms. Kirstin Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: Amendments to Draft Rate Order

Dear Ms. Walli:

Hearst Power Distribution Company Limited (Hearst) acknowledges receipt of VECC and Board Staff (BS)'s comments on the utility's proposed Draft Rate Order submitted March 4. Hearst provides its reply comments and corrections in the following format.

- Utility Comments
- Appendices A through M

In conjunction with the documents noted above, Hearst files excel versions the following models.

- Rate Maker [Hearst.RateMaker.DRO_31032011]
- Rate Maker PILs Model [Hearst.RMpils.DRO_31032011]
- Revenue Requirement Work Form [Hearst-2010 RRWF.DRO_31032011]
- Cost Allocation Model [Hearst-2010 CA Model.DRO_31032011]

This document is being filed pursuant to the Board's e-Filing Services. In order to reduce the carbon footprint, hard copies of these documents will be provided upon request.
Should there be any questions, please do not hesitate to contact me at 705-372-2815.

Nicole C. Leduc
General Manager

Hearst Power Distribution Company Limited
Draft Rate Order
EB-2009-0266

Comments on Draft Rate Order

Hearst Power Distribution Company Limited ("Hearst") submits the following comments accompanied by revised Tariff of Rates and Charges for 2010, customer bill impacts, and a completed Revenue Requirement Work Form in both PDF and excel format. Hearst is also filing its final Rate Maker Model and PILs model revised to reflect the Board Decision and Order issued February 15, 2011 and comments from BS and VECC received March 14, 2011 and March 15, 2011 respectively.

Comments are provided in following areas;

- Rate Base
    - Hearst confirms that it has removed it smart meter related capital expenditures from both 2009 and 2010 capital cost. The remaining $6,194 in account 1860 for 2009 pertains to non-smart meter related expenditures. Details of the utility's Net Capital are presented at Appendix F.

- Working Capital – Cost of Power
    - The commodity portion of the Pass-through charges has been revised to reflect the weighted average price of RPP/non-RPP and MUSH, as reported in the OEB RPP report.(Nov 10- Oct 11, Table ES-1). Details can be found at Appendix I. The corrected average used to determine the cost of power is 0.06775. Derivation of the Cost of Power can be found at Appendix K and determination of the Working Capital Allowance can be found at Appendix H.

- Load Forecast
    - No issues were reported

- Throughput revenue
    - Please note that a formula in Hearst's Rate Maker model was inadvertently overwritten. The total Transmission Network Charges for Street Lights should have been $4,550 instead of the $3,747 presented in the March 4th Draft Rate Order. This error has been rectified in the model filed in conjunction with this reply.

Transmission - Network	Customer	2009			2010		
	Class Name	Volume	Rate	Amount	Volume	Rate	Amount
kWh	Residential	27,948,974	$0.0044	122,975	27,852,221	$0.0052	144,832
kWh	GS<50kW	11,955,667	$0.0040	47,823	12,976,189	$0.0047	60,988
kW	GS>50kW	50,670	$1.6512	83,666	53,176	$1.9563	104,028
kW	Intermediate Users	65,897	$1.8467	121,692	59,721	$2.1880	130,669
kW	Sentinel Lights	99	$1.2516	124	72	$1.4829	107
kW	Street Lights	3,071	$1.2452	3,824	3,084	$1.4753	3,747
	TOTAL	**40,024,378**		**380,104**	**40,944,463**		**444,371**

Transmission - Network	Customer	2009			2010		
	Class Name	Volume	Rate	Amount	Volume	Rate	Amount
kWh	Residential	27,948,974	$0.0044	122,975	27,852,221	$0.0052	144,832
kWh	GS<50kW	11,955,667	$0.0040	47,823	12,976,189	$0.0047	60,988
kW	GS>50kW	50,670	$1.6512	83,666	53,176	$1.9563	104,028
kW	Intermediate Users	65,897	$1.8467	121,692	59,721	$2.1880	130,669
kW	Sentinel Lights	99	$1.2516	124	72	$1.4829	107
kW	Street Lights	3,071	$1.2452	3,824	3,084	$1.4753	4,550
	TOTAL	**40,024,378**		**380,104**	**40,944,463**		**445,174**

    - As noted by Board Staff, Hearst has updated the Transformation Connection Service Rate of the IESO portion of the load to reflect $1.77 as per approved by the Board. The determination of the RTSRs can be found at Appendix J
    - Updated Pass through charges are presented at Appendix K

- Misc Revenues
    - No issues were reported with the proposed misc revenue of $68,907

- Operating Costs
    - Depreciation Expense; the depreciation expense has been recalculated to reflect the exclusion of smart meter related capital expenditures from Rate Base. The derivation of

the utility's depreciation expense can be found at Appendix E and the utility's Net Capital can be found at Appendix F

- Cost of Capital and Rate of Return
    - Hearst has rectified the long debt rate in the Revenue Requirement Work Form ("RRWF"). The rate of 5.87% is now being used. A revised RRWF can be found at Appendix C
    - Both PILs model and RRWF have been updated with the appropriate depreciation expense and the Apprenticeship tax credit. (see Appendix C)

- Cost Allocation and Rate Design
    - Revenue to Cost Ratios have been revised accordingly. Details are presented at Appendix M.

- Implementation date
    - The foregone revenue rate rider has been revised as per VECC's comments. Details are presented at Appendix L

- Tariffs of Rates and Charges and Bill Impacts are presented at Appendix A and B respectively.
- Rate Base and Determination of Revenue Requirement are presented at Appendix D and G respectively.

Amendments to the affected section of the Draft Rate Order are presented in the following appendices

Appendix A - Tariff of Rates and Charges
Appendix B - Customer Rate Impact Schedule (Summary and Detail)
Appendix C - PDF version of Revenue Requirement Work Form
Appendix D – Rate Base
Appendix E - Calculation of Depreciation Expense
Appendix F – Net Capital
Appendix G – Revenue Requirement
Appendix H – Working Capital Allowance
Appendix I – Weighted Avg Commodity Price
Appendix J - Calculation of Retail Transmission Service Rates
Appendix K- Pass-Through Charges – revised average RPP rates
Appendix L - Calculation of Loss Revenue Rate Rider
Appendix M - Results from Cost Allocation
Revenue Allocation
Rate Design
Reconciliation of Rates with Revenue / Recovery Requirement

~ Respectfully submitted ~

Hearst Power Distribution Company Limited
Draft Rate Order
EB-2009-0266

APPENDICES

Appendix A - Tariff of Rates and Charges

Tariffs of Rates and Charges

		Effective Feb1/11
Residential		
Service Charge	$	9.00
Smart Meter Rate Adder	$	2.50
Distribution Volumetric Rate	$/kWh	0.0156
Low Voltage Service Rate	$/kWh	0.0007
Deferral Account Rate Rider - effective until April 30, 2014	$/kWh	(0.0043)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	$/kWh	0.0056
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	**$**	**0.24**
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	**$/kW**	**0.0010**
Retail Transmission Rate – Network Service Rate	$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0044
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25
GS<50kW		
Service Charge	$	19.50
Smart Meter Rate Adder	$	2.50
Distribution Volumetric Rate	$/kWh	0.0066
Low Voltage Service Rate	$/kWh	0.0006
Deferral Account Rate Rider - effective until April 30, 2014	$/kWh	(0.0040)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	$/kWh	0.0056
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	**$**	**2.24**
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	**$/kW**	**(0.0003)**
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0040
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25
GS>50kW		
Service Charge	$	66.00
Smart Meter Rate Adder	$	2.50
Distribution Volumetric Rate	$/kW	2.7945
Low Voltage Service Rate	$/kW	0.2270
Deferral Account Rate Rider - effective until April 30, 2014	$/kW	(1.3889)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	$/kWh	0.0056
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	$	**5.63**
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	$/kW	**0.0428**
Retail Transmission Rate – Network Service Rate	$/kW	1.9563
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.5861
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Tariffs of Rates and Charges

		Effective Feb1/11
Intermediate Users		
Service Charge	$	220.00
Distribution Volumetric Rate	$/kW	1.0077
Low Voltage Service Rate	$/kW	0.2677
Deferral Account Rate Rider - effective until April 30, 2014	$/kW	(1.2268)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	$/kWh	0.0056
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	$	**25.06**
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	$/kW	**0.1083**
Retail Transmission Rate – Network Service Rate	$/kW	2.1880
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.8708
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25
Sentinel Lights		
Service Charge (per connection)	$	7.00
Distribution Volumetric Rate	$/kW	3.0778
Low Voltage Service Rate	$/kW	0.1791
Deferral Account Rate Rider - effective until April 30, 2014	$/kW	(5.5214)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	$/kWh	0.0056
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	$	**0.46**
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	$/kW	**0.2387**
Retail Transmission Rate – Network Service Rate	$/kW	1.4829
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2404
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25
Street Lights		
Service Charge (per)	$	5.50
Distribution Volumetric Rate	$/kW	1.6027
Low Voltage Service Rate	$/kW	0.1755
Deferral Account Rate Rider - effective until April 30, 2014	$/kW	(3.1332)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	$/kWh	0.0056
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	$	**0.69**
Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012	$/kW	**0.1042**
Retail Transmission Rate – Network Service Rate	$/	1.4753
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/	1.2151
Wholesale Market Service Rate	$/	0.0052
Rural Rate Protection Charge	$/	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25
microFIT Generator Service (effective September 21, 2009)		
Service Charge	$	5.25
Specific Service Charges		

Tariffs of Rates and Charges

		Effective Feb1/11
Arrears Certificate	$	15.00
Easement Letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned Cheque charge (plus bank charges)	$	15.00
Account set up charge / change of occupancy charge	$	30.00
Special Meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Late Payment - per month	%	1.50
Collection of account charge – no disconnection	$	30.00
Disconnect/Reconnect at meter – during regular hours	$	40.00
Install / remove load control device – during regular hours	$	40.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35
Retailer Service Agreement -- standard charge	$	100.00
Retailer Service Agreement -- monthly fixed charge (per retailer)	$	20.00
Retailer Service Agreement -- monthly variable charge (per customer)	$	0.50
Distributor-Consolidated Billing -- monthly charge (per customer)	$	0.30
Service Transaction Request -- request fee (per request)	$	0.25
Service Transaction Request -- processing fee (per processed request)	$	0.50

Tariffs of Rates and Charges

		Effective Feb1/11
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	-0.45
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	
LOSS FACTORS		
Secondary Metered Customer < 5000 kWh		1.0460
Primary Metered Customer < 5000 kWh		1.0356

Appendix B - Customer Rate Impact Schedule (Summary and Detail)

F9 Bill Impact Summary

Customer Class Name	Volume		RPP	Distribution Charges *		Delivery Sub-total		Total Bill	
	kWh	kW	Rate Class	$ change	% change	$ change	% change	$ change	% change
Residential	800		Summer	$7.96	48.0%	$4.65	19.0%	$4.34	4.8%
	1,000		Winter	$9.18	49.3%	$5.05	17.7%	$4.65	4.3%
GS<50kW	2,000		Non-res.	$11.03	43.5%	$3.36	7.8%	$2.58	1.2%
GS>50kW	41,700	120	Non-res.	$41.56	10.7%	($112.20)	(14.0%)	($128.66)	(2.8%)
Intermediate Users	1,500,000	1,500	Non-res.	$770.56	56.6%	($907.19)	(12.4%)	($1,498.87)	(1.0%)
Sentinel Lights	150	1.00	n/a	$4.38	74.6%	($1.07)	(12.5%)	($1.12)	(5.3%)
Street Lights	150	1.00	n/a	$5.00	>100%	$1.95	39.6%	$1.90	10.8%

** Includes Low Voltage charges*

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Residential **RPP: Summer**

800 kWh's

		Metric	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	2010 BILL Volume	2010 BILL Rate	2010 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
†	Monthly Service Charge				$8.42			$11.50	$3.08	36.6%
†	Distribution	kWh	800	$0.0102	$8.16	800	$0.0163	$13.04	$4.88	59.8%
	Sub-Total (Distribution)				**$16.58**			**$24.54**	**$7.96**	**48.0%**
†	Deferral/Variance	kWh	800			800	($0.0043)	($3.44)	($3.44)	
	Electricity (Commodity)	kWh	841	RPP-Summer	$56.21	837	RPP-Summer	$55.92	($0.29)	(0.5%)
†	Transmission - Network	kWh	841	$0.0044	$3.70	837	$0.0052	$4.35	$0.65	17.6%
†	Transmission - Connection	kWh	841	$0.0050	$4.20	837	$0.0044	$3.68	($0.52)	(12.4%)
	Wholesale Market Service	kWh	841	$0.0052	$4.37	837	$0.0052	$4.35	($0.02)	(0.5%)
	Rural Rate Protection	kWh	841	$0.0013	$1.09	837	$0.0013	$1.09		
	Debt Retirement Charge	kWh	800	$0.0061	$4.88	800	$0.0061	$4.88		
	TOTAL BILL				**$91.03**			**$95.37**	**$4.34**	**4.8%**
†	*Delivery Only*				*$24.48*			*$29.13*	*$4.65*	*19.0%*

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

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GS<50kW **RPP: Non-res.**

2,000 kWh's

		Metric	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	2010 BILL Volume	2010 BILL Rate	2010 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
†	Monthly Service Charge				$5.97			$22.00	$16.03	>100%
†	Distribution	kWh	2,000	$0.0097	$19.40	2,000	$0.0072	$14.40	($5.00)	(25.8%)
	Sub-Total (Distribution)				**$25.37**			**$36.40**	**$11.03**	**43.5%**
†	Deferral/Variance	kWh	2,000			2,000	($0.0040)	($8.00)	($8.00)	
	Electricity (Commodity)	kWh	2,102	RPP-Non-res.	$148.03	2,092	RPP-Non-res.	$147.31	($0.72)	(0.5%)
†	Transmission - Network	kWh	2,102	$0.0040	$8.41	2,092	$0.0047	$9.83	$1.42	16.9%
†	Transmission - Connection	kWh	2,102	$0.0045	$9.46	2,092	$0.0040	$8.37	($1.09)	(11.5%)
	Wholesale Market Service	kWh	2,102	$0.0052	$10.93	2,092	$0.0052	$10.88	($0.05)	(0.5%)
	Rural Rate Protection	kWh	2,102	$0.0013	$2.73	2,092	$0.0013	$2.72	($0.01)	(0.4%)
	Debt Retirement Charge	kWh	2,000	$0.0061	$12.20	2,000	$0.0061	$12.20		
	TOTAL BILL				**$217.13**			**$219.71**	**$2.58**	**1.2%**
†	*Delivery Only*				*$43.24*			*$46.60*	*$3.36*	*7.8%*

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

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GS>50kW **RPP: Non-res.**

41,700 kWh's / 120 kW's	Metric	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	2010 BILL Volume	2010 BILL Rate	2010 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
† Monthly Service Charge				$30.41			$68.50	$38.09	>100%
† Distribution	kW	120	$2.9926	$359.11	120	$3.0215	$362.58	$3.47	1.0%
Sub-Total (Distribution)				**$389.52**			**$431.08**	**$41.56**	**10.7%**
† Deferral/Variance	kW	120			120	($1.3889)	($166.67)	($166.67)	
Electricity (Commodity)	kWh	43,823	RPP-Non-res.	$3,235.37	43,618	RPP-Non-res.	$3,220.25	($15.12)	(0.5%)
† Transmission - Network	kW	120	$1.6512	$198.14	120	$1.9563	$234.76	$36.62	18.5%
† Transmission - Connection	kW	120	$1.7837	$214.04	120	$1.5861	$190.33	($23.71)	(11.1%)
Wholesale Market Service	kWh	43,823	$0.0052	$227.88	43,618	$0.0052	$226.81	($1.07)	(0.5%)
Rural Rate Protection	kWh	43,823	$0.0013	$56.97	43,618	$0.0013	$56.70	($0.27)	(0.5%)
Debt Retirement Charge	kWh	41,700	$0.0061	$254.37	41,700	$0.0061	$254.37		
TOTAL BILL				**$4,576.29**			**$4,447.63**	**($128.66)**	**(2.8%)**
† *Delivery Only*				*$801.70*			*$689.50*	*($112.20)*	*(14.0%)*

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

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Intermediate Users **RPP: Non-res.**

1,500,000 kWh's			**2009 BILL**			**2010 BILL**			**CHANGE IMPACT**	
1,500 kW's		**Metric**	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
†	Monthly Service Charge				$57.09			$220.00	$162.91	>100%
†	Distribution	kW	1,500	$0.8703	$1,305.45	1,500	$1.2754	$1,913.10	$607.65	46.5%
	Sub-Total (Distribution)				**$1,362.54**			**$2,133.10**	**$770.56**	**56.6%**
†	Deferral/Variance	kW	1,500			1,500	($1.2268)	($1,840.20)	($1,840.20)	
	Electricity (Commodity)	kWh	1,576,350	RPP-Non-res.	$116,642.40	1,569,000	RPP-Non-res.	$116,098.50	($543.90)	(0.5%)
†	Transmission - Network	kW	1,500	$1.8467	$2,770.05	1,500	$2.1880	$3,282.00	$511.95	18.5%
†	Transmission - Connection	kW	1,500	$2.1038	$3,155.70	1,500	$1.8708	$2,806.20	($349.50)	(11.1%)
	Wholesale Market Service	kWh	1,576,350	$0.0052	$8,197.02	1,569,000	$0.0052	$8,158.80	($38.22)	(0.5%)
	Rural Rate Protection	kWh	1,576,350	$0.0013	$2,049.26	1,569,000	$0.0013	$2,039.70	($9.56)	(0.5%)
	Debt Retirement Charge	kWh	1,500,000	$0.0061	$9,150.00	1,500,000	$0.0061	$9,150.00		
	TOTAL BILL				**$143,326.97**			**$141,828.10**	**($1,498.87)**	**(1.0%)**
†	*Delivery Only*				*$7,288.29*			*$6,381.10*	*($907.19)*	*(12.4%)*

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

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Sentinel Lights **RPP: n/a**

150 kWh's 1 kW's	Metric	2009 BILL Volume	 Rate	 Charge	2010 BILL Volume	 Rate	 Charge	CHANGE IMPACT $	 %
† Monthly Service Charge				$3.98			$7.00	$3.02	75.9%
† Distribution	kW	1.00	$1.8938	$1.89	1	$3.2569	$3.26	$1.36	72.0%
Sub-Total (Distribution)				**$5.87**			**$10.26**	**$4.38**	**74.6%**
† Deferral/Variance	kW	1.00			1	($5.5214)	($5.52)	($5.52)	
Electricity (Commodity)	kWh	158	$0.0678	$10.68	157	$0.0678	$10.63	($0.05)	(0.5%)
† Transmission - Network	kW	1.00	$1.2516	$1.25	1	$1.4829	$1.48	$0.23	18.4%
† Transmission - Connection	kW	1.00	$1.4077	$1.41	1	$1.2518	$1.25	($0.16)	(11.3%)
Wholesale Market Service	kWh	158	$0.0052	$0.82	157	$0.0052	$0.82		
Rural Rate Protection	kWh	158	$0.0013	$0.20	157	$0.0013	$0.20		
Debt Retirement Charge	kWh	150	$0.0061	$0.92	150	$0.0061	$0.92		
TOTAL BILL				**$21.15**			**$20.04**	**($1.12)**	**(5.3%)**
† *Delivery Only*				*$8.53*			*$7.47*	*($1.07)*	*(12.5%)*

F8 Customer Bill Impact Analysis

RPP rates per shee

Residential **RPP: Winter**

1,000 kWh's

		Metric	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	2010 BILL Volume	2010 BILL Rate	2010 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
†	Monthly Service Charge				$8.42			$11.50	$3.08	36.6%
†	Distribution	kWh	1,000	$0.0102	$10.20	1,000	$0.0163	$16.30	$6.10	59.8%
	Sub-Total (Distribution)				**$18.62**			**$27.80**	**$9.18**	**49.3%**
†	Deferral/Variance	kWh	1,000			1,000	($0.0043)	($4.30)	($4.30)	
	Electricity (Commodity)	kWh	1,051	RPP-Winter	$67.77	1,046	RPP-Winter	$67.40	($0.37)	(0.5%)
†	Transmission - Network	kWh	1,051	$0.0044	$4.62	1,046	$0.0052	$5.44	$0.82	17.7%
†	Transmission - Connection	kWh	1,051	$0.0050	$5.25	1,046	$0.0044	$4.60	($0.65)	(12.4%)
	Wholesale Market Service	kWh	1,051	$0.0052	$5.46	1,046	$0.0052	$5.44	($0.02)	(0.4%)
	Rural Rate Protection	kWh	1,051	$0.0013	$1.37	1,046	$0.0013	$1.36	($0.01)	(0.7%)
	Debt Retirement Charge	kWh	1,000	$0.0061	$6.10	1,000	$0.0061	$6.10		
	TOTAL BILL				**$109.19**			**$113.84**	**$4.65**	**4.3%**
†	*Delivery Only*				*$28.49*			*$33.54*	*$5.05*	*17.7%*

F8 Customer Bill Impact Analysis

RPP rates per shee

Street Lights **RPP: n/a**

150 kWh's		**2009 BILL**			**2010 BILL**			**CHANGE IMPACT**	
1 kW's	**Metric**	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**		**%**
† Monthly Service Charge				$0.99			$5.50	$4.51	>100%
† Distribution	kW	1	$1.2912	$1.29	1	$1.7782	$1.78	$0.49	37.7%
Sub-Total (Distribution)				**$2.28**			**$7.28**	**$5.00**	**>100%**
† Deferral/Variance	kW	1			1	($3.1332)	($3.13)	($3.13)	
Electricity (Commodity)	kWh	158	$0.0678	$10.68	157	$0.0678	$10.63	($0.05)	(0.5%)
† Transmission - Network	kW	1	$1.2452	$1.25	1	$1.4753	$1.48	$0.23	18.4%
† Transmission - Connection	kW	1	$1.3790	$1.38	1	$1.2263	$1.23	($0.15)	(10.9%)
Wholesale Market Service	kWh	158	$0.0052	$0.82	157	$0.0052	$0.82		
Rural Rate Protection	kWh	158	$0.0013	$0.20	157	$0.0013	$0.20		
Debt Retirement Charge	kWh	150	$0.0061	$0.92	150	$0.0061	$0.92		
TOTAL BILL				**$17.53**			**$19.43**	**$1.90**	**10.8%**
† *Delivery Only*				*$4.91*			*$6.86*	*$1.95*	*39.6%*

Appendix C - PDF version of Revenue Requirement Work Form

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

		Data Input					(1)
		Application		Adjustments		Per Board Decision	
1	**Rate Base**						
	Gross Fixed Assets (average)	$3,873,122	(4)			$3,873,122	
	Accumulated Depreciation (average)	($3,053,718)	(5)			($3,053,718)	
	Allowance for Working Capital:						
	Controllable Expenses	$923,677	(6)			$923,677	
	Cost of Power	$6,899,032				$6,899,032	
	Working Capital Rate (%)	15.00%				15.00%	
2	**Utility Income**						
	Operating Revenues:						
	Distribution Revenue at Current Rates	$752,831					
	Distribution Revenue at Proposed Rates	$1,112,844					
	Other Revenue:						
	Specific Service Charges	$32,170					
	Late Payment Charges	$13,120					
	Other Distribution Revenue	$7,764					
	Other Income and Deductions	$15,853					
	Operating Expenses:						
	OM+A Expenses	$923,677				$923,677	
	Depreciation/Amortization	$108,336				$108,336	
	Property taxes	$ -				$0	
	Capital taxes						
	Other expenses						
3	**Taxes/PILs**						
	Taxable Income:						
	Adjustments required to arrive at taxable income	($20,214)	(3)				
	Utility Income Taxes and Rates:						
	Income taxes (not grossed up)	$9,329					
	Income taxes (grossed up)	$11,106					
	Capital Taxes						
	Federal tax (%)	11.00%					
	Provincial tax (%)	5.00%					
	Income Tax Credits	($7,041)					
4	**Capitalization/Cost of Capital**						
	Capital Structure:						
	Long-term debt Capitalization Ratio (%)	56.0%					
	Short-term debt Capitalization Ratio (%)	4.0%	(2)				(2)
	Common Equity Capitalization Ratio (%)	40.0%					
	Prefered Shares Capitalization Ratio (%)						
						Capital Structure must total 100%	
	Cost of Capital						
	Long-term debt Cost Rate (%)	5.87%					
	Short-term debt Cost Rate (%)	2.07%					
	Common Equity Cost Rate (%)	9.85%					
	Prefered Shares Cost Rate (%)						

Notes:

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)
(2) 4.0% unless an Applicant has proposed or been approved for another amount.
(3) Net of addbacks and deductions to arrive at taxable income.
(4) Average of Gross Fixed Assets at beginning and end of the Test Year
(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

Rate Base

Line No.	Particulars		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	$3,873,122	$ -	$3,873,122
2	Accumulated Depreciation (average)	(3)	($3,053,718)	$ -	($3,053,718)
3	Net Fixed Assets (average)	(3)	$819,404	$ -	$819,404
4	Allowance for Working Capital	(1)	$1,173,406	$ -	$1,173,406
5	**Total Rate Base**		$1,992,810	$ -	$1,992,810

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		$923,677	$ -	$923,677
7	Cost of Power		$6,899,032	$ -	$6,899,032
8	Working Capital Base		$7,822,709	$ -	$7,822,709
9	Working Capital Rate %	(2)	15.00%		15.00%
10	Working Capital Allowance		$1,173,406	$ -	$1,173,406

Notes

(2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

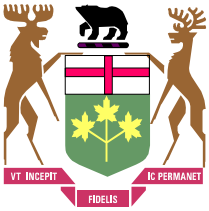
Ontario

			Utility income		
Line No.	Particulars		Application	Adjustments	Per Board Decision
	Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)		$1,112,844	$ -	$1,112,844
2	Other Revenue	(1)	$68,907	$ -	$68,907
3	Total Operating Revenues		$1,181,751	$ -	$1,181,751
	Operating Expenses:				
4	OM+A Expenses		$923,677	$ -	$923,677
5	Depreciation/Amortization		$108,336	$ -	$108,336
6	Property taxes		$ -	$ -	$ -
7	Capital taxes		$ -	$ -	$ -
8	Other expense		$ -	$ -	$ -
9	Subtotal		$1,032,013	$ -	$1,032,013
10	Deemed Interest Expense		$67,158	$ -	$67,158
11	Total Expenses (lines 4 to 10)		$1,099,171	$ -	$1,099,171
12	**Utility income before income taxes**		$82,580	$ -	$82,580
13	Income taxes (grossed-up)		$11,106	$ -	$11,106
14	**Utility net income**		$71,474	$ -	$71,474

Notes

(1) **Other Revenues / Revenue Offsets**

Specific Service Charges	$32,170		$32,170
Late Payment Charges	$13,120		$13,120
Other Distribution Revenue	$7,764		$7,764
Other Income and Deductions	$15,853		$15,853
Total Revenue Offsets	$68,907		$68,907



Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
	Determination of Taxable Income		
1	Utility net income	$78,517	$78,517
2	Adjustments required to arrive at taxable utility income	($20,214)	($20,214)
3	Taxable income	$58,303	$58,303
	Calculation of Utility income Taxes		
4	Income taxes	$9,329	$9,329
5	Capital taxes	$ -	$ -
6	Total taxes	$9,329	$9,329
7	Gross-up of Income Taxes	$1,777	$1,777
8	Grossed-up Income Taxes	$11,106	$11,106
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$11,106	$11,106
10	Other tax Credits	($7,041)	($7,041)
	Tax Rates		
11	Federal tax (%)	11.00%	11.00%
12	Provincial tax (%)	5.00%	5.00%
13	Total tax rate (%)	16.00%	16.00%

Notes

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Application				
	Debt				
1	Long-term Debt	56.00%	$1,115,974	5.87%	$65,508
2	Short-term Debt	4.00%	$79,712	2.07%	$1,650
3	**Total Debt**	60.00%	$1,195,686	5.62%	$67,158
	Equity				
4	Common Equity	40.00%	$797,124	9.85%	$78,517
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$797,124	9.85%	$78,517
7	**Total**	100%	$1,992,810	7.31%	$145,674
	Per Board Decision				
	Debt				
8	Long-term Debt	56.00%	$1,115,974	5.87%	$65,508
9	Short-term Debt	4.00%	$79,712	2.07%	$1,650
10	**Total Debt**	60.00%	$1,195,686	5.62%	$67,158
	Equity				
11	Common Equity	40.0%	$797,124	9.85%	$78,517
12	Preferred Shares	0.0%	$ -	0.00%	$ -
13	**Total Equity**	40.0%	$797,124	9.85%	$78,517
14	**Total**	100%	$1,992,810	7.31%	$145,674

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$358,673		$358,673
2	Distribution Revenue	$752,831	$754,171	$752,831	$754,171
3	Other Operating Revenue Offsets - net	$68,907	$68,907	$68,907	$68,907
4	**Total Revenue**	$821,738	$1,181,751	$821,738	$1,181,751
5	Operating Expenses	$1,032,013	$1,032,013	$1,032,013	$1,032,013
6	Deemed Interest Expense	$67,158	$67,158	$67,158	$67,158
	Total Cost and Expenses	$1,099,171	$1,099,171	$1,099,171	$1,099,171
7	**Utility Income Before Income Taxes**	($277,433)	$82,580	($277,433)	$82,580
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	($20,214)	($20,214)	($20,214)	($20,214)
9	**Taxable Income**	($297,647)	$62,366	($297,647)	$62,366
10	Income Tax Rate	16.00%	16.00%	16.00%	16.00%
11	**Income Tax on Taxable Income**	($47,623)	$9,979	($47,623)	$9,979
12	**Income Tax Credits**	($7,041)	($7,041)	($7,041)	($7,041)
13	**Utility Net Income**	($222,768)	$71,474	($222,768)	$71,474
14	**Utility Rate Base**	$1,992,810	$1,992,810	$1,992,810	$1,992,810
	Deemed Equity Portion of Rate Base	$797,124	$797,124	$797,124	$797,124
15	Income/Equity Rate Base (%)	-27.95%	8.97%	-27.95%	8.97%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-37.80%	-0.88%	-37.80%	-0.88%
17	Indicated Rate of Return	-7.81%	6.96%	-7.81%	6.96%
18	Requested Rate of Return on Rate Base	7.31%	7.31%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-15.12%	-0.35%	-15.12%	-0.35%
20	Target Return on Equity	$78,517	$78,517	$78,517	$78,517
21	Revenue Sufficiency/Deficiency	$301,285	($7,042)	$301,285	($7,042)
22	**Gross Revenue Sufficiency/Deficiency**	$358,673 **(1)**		$358,673 **(1)**	

Notes:

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

Ontario

Line No.	Particulars	Revenue Requirement	
		Application	Per Board Decision
1	OM&A Expenses	$923,677	$923,677
2	Amortization/Depreciation	$108,336	$108,336
3	Property Taxes	$ -	$ -
4	Capital Taxes	$ -	$ -
5	Income Taxes (Grossed up)	$11,106	$11,106
6	Other Expenses	$ -	$ -
7	Return		
	Deemed Interest Expense	$67,158	$67,158
	Return on Deemed Equity	$78,517	$78,517
8	Distribution Revenue Requirement before Revenues	$1,188,793	$1,188,793
9	Distribution revenue	$1,112,844	$1,112,844
10	Other revenue	$68,907	$68,907
11	**Total revenue**	$1,181,751	$1,181,751
12	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	($7,042) (1)	($7,042) (1)

Notes

(1) Line 11 - Line 8

REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
File Number: EB-2009-0132
Rate Year: 2010

		Selected Delivery Charge and Bill Impacts Per Draft Rate Order								
		Monthly Delivery Charge					Total Bill			
		Current	Per Draft Rate Order	Change $	Change %		Current	Per Draft Rate Order	Change $	Change %
Residential	**800 kWh/month**	$ 8.42	$ 11.50	$ 3.08	36.6%		$ 91.03	$ 95.37	$ 4.34	4.8%
GS < 50kW	**2000** kWh/month	$ 5.97	$ 22.00	$ 16.03	268.5%		$ 217.13	$ 219.71	$ 2.58	1.2%

Notes:

Please see draft rate order for detailed Bill Impacts

Appendix D - Rate Base

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

D1 Rate Base Summary

Enter the Working Capital Allowance factor

Working Capital Allowance

		2010
Eligible Distribution Expenses:	(1)	
3500-Distribution Expenses - Operation		95,218
3550-Distribution Expenses - Maintenance		284,565
3650-Billing and Collecting		230,079
3700-Community Relations		5,000
3800-Administrative and General Expenses		308,815
3950-Taxes Other Than Income Taxes		
Total Eligible Distribution Expenses		923,677
3350-Power Supply Expenses	(2)	6,899,032
Total Expenses for Working Capital		7,822,709
Working Capital Allowance	**15.0%**	**1,173,406**

(1) From sheet B4

(2) From sheet C2

TOTAL RATE BASE

		2010
Net Fixed Assets in Service:	(3)	
Opening Balance	810,159	
Closing Balance	828,649	
Average Balance		819,404
Working Capital Allowance		1,173,406
TOTAL RATE BASE		**1,992,811**

(3) From Sheet B3

Appendix E - Calculation of Depreciation Expense

		2008	2008	2008	2008	2008	2008	2008	
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)	
	Transmission Plant								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0		
	Sub-Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	
	Distribution Plant								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00			
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00			
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00			
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00			
1830	1830 - Poles, Towers and Fixtures	28,002.83	0.00	28,002.83	2,625.07	29,315.37	25.00	1172.61	
1835	1835 - Overhead Conductors and Devices	1,569,727.08	630,167.71	939,559.37	9,897.50	944,508.12	25.00	37780.32	
1840	1840 - Underground Conduit	5,158.18	0.00	5,158.18	714.83	5,515.60	25.00	220.62	
1845	1845 - Underground Conductors and Devices	420,217.08	69,339.75	350,877.33	3,173.08	352,463.87	25.00	14098.55	
1850	1850 - Line Transformers	538,186.01	299,334.76	238,851.25	4,385.92	241,044.21	25.00	9641.77	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00			
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00			
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00			
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00			
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	**2,561,291.18**	**998,842.22**	**1,562,448.96**	**20,796.40**	**1,572,847.16**	**125.00**	**62913.89**	
	General Plant								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00		
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00			
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00			
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20	
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	0.00	201,569.97	50.00	4031.40	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1915	1915 - Office Furniture and Equipment	42,162.53	13,424.32	28,738.21	0.00	28,738.21	10.00	2873.82	
1920	1920 - Computer Equipment - Hardware	79,521.69	77,300.53	2,221.16	14,156.76	9,299.54	5.00	1859.91	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00	
1925	1925 - Computer Software	54,982.23	49,669.20	5,313.03	60,975.07	35,800.57	5.00	7160.11	
1930	1930 - Transportation Equipment	471,962.62	441,136.22	30,826.40	14,472.00	38,062.40	5.00	7612.48	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45	
1940	1940 - Tools, Shop and Garage Equipment	93,949.20	78,547.93	15,401.27	2,821.80	16,812.17	10.00	1681.22	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00			
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00			
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	**961,380.80**	**660,078.20**	**301,302.60**	**92,425.63**	**347,515.42**	**120.00**	**26182.19**	
	Other Plant								
1855	1855 - Services	9,561.93	0.00	9,561.93	204.03	9,663.95	25.00	386.56	
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00	25.00	0.00	
1860	1860 - Meters	357,563.62	134,494.13	223,069.49	1,058.40	223,598.69	25.00	8943.95	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	**367,125.55**	**134,494.13**	**232,631.42**	**1,262.43**	**233,262.64**	**75.00**	**9330.51**	
	TOTAL	**3,889,797.53**	**1,793,414.55**	**2,096,382.98**	**114,484.46**	**2,153,625.21**	**320.00**	**98,426.59**	

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

		2009	2009	2009	2009	2009	2009	2009	
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)	
	Transmission Plant								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0		
	Sub-Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	
	Distribution Plant								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00			
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00			
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00			
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00			
1830	1830 - Poles, Towers and Fixtures	30,627.90	0.00	30,627.90	1,969.17	31,612.49	25.00	1264.50	
1835	1835 - Overhead Conductors and Devices	1,579,624.58	644,218.71	935,405.87	2,355.06	936,583.40	25.00	37463.34	
1840	1840 - Underground Conduit	5,873.01	0.00	5,873.01	0.00	5,873.01	25.00	234.92	
1845	1845 - Underground Conductors and Devices	423,390.16	69,339.75	354,050.41	0.00	354,050.41	25.00	14162.02	
1850	1850 - Line Transformers	542,571.93	299,334.76	243,237.17	2,377.69	244,426.02	25.00	9777.04	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00			
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00			
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00			
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00			
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	**2,582,087.58**	**1,012,893.22**	**1,569,194.36**	**6,701.92**	**1,572,545.32**	**125.00**	**62901.81**	
	General Plant								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00		
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00			
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00			
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20	
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	13,009.06	208,074.50	50.00	4161.49	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1915	1915 - Office Furniture and Equipment	42,162.53	13,424.32	28,738.21	5,965.92	31,721.17	10.00	3172.12	
1920	1920 - Computer Equipment - Hardware	93,678.45	77,300.53	16,377.92	0.00	16,377.92	5.00	3275.58	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00	
1925	1925 - Computer Software	115,957.33	54,982.26	60,975.07	0.00	60,975.07	5.00	12195.01	
1930	1930 - Transportation Equipment	486,434.62	441,136.22	45,298.40	0.00	45,298.40	5.00	9059.68	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45	
1940	1940 - Tools, Shop and Garage Equipment	96,771.00	82,807.94	13,963.06	0.00	13,963.06	10.00	1396.31	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00			
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00			
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	**1,053,806.46**	**669,651.27**	**384,155.19**	**18,974.98**	**393,642.68**	**120.00**	**34223.45**	
	Other Plant								
1855	1855 - Services	9,765.96	0.00	9,765.96	0.00	9,765.96	25.00	390.64	
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00	15.00	0.00	
1860	1860 - Meters	358,622.02	226,442.00	132,180.02	6,194.22	135,277.13	25.00	5411.09	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Sub-Total	**368,387.98**	**271,900.41**	**141,945.98**	**6,194.22**	**145,043.09**	**65.00**	**5801.72**	
	TOTAL	**4,004,282.02**	**1,954,444.90**	**2,095,295.53**	**31,871.12**	**2,111,231.09**	**310.00**	**102,926.98**	

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

		2010	2010	2010	2010	2010	2010	2010
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)
	Transmission Plant							
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0	
	Sub-Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Distribution Plant							
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00		
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00		
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00		
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00		
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00		
1830	1830 - Poles, Towers and Fixtures	32,597.07	0.00	32,597.07	10,000.00	37,597.07	25.00	1503.88
1835	1835 - Overhead Conductors and Devices	1,581,979.64	688,281.46	893,698.18	18,500.00	902,948.18	25.00	36117.93
1840	1840 - Underground Conduit	5,873.01	0.00	5,873.01	0.00	5,873.01	25.00	234.92
1845	1845 - Underground Conductors and Devices	423,390.16	69,339.75	354,050.41	13,300.00	360,700.41	25.00	14428.02
1850	1850 - Line Transformers	544,949.62	299,334.76	245,614.86	16,500.00	253,864.86	25.00	10154.59
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00		
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00		
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00		
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00		
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	**2,588,789.50**	**1,056,955.97**	**1,531,833.53**	**58,300.00**	**1,560,983.53**	**125.00**	**62439.34**
	General Plant							
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00	
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00		
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00		
1906	1906 - Land Rights	4,232.00	2,432.00	1,800.00	0.00	1,800.00	10.00	180.00
1908	1908 - Buildings and Fixtures	214,579.03	0.00	214,579.03	0.00	214,579.03	50.00	4291.58
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00		
1915	1915 - Office Furniture and Equipment	48,128.45	13,424.32	34,704.13	18,026.00	43,717.13	10.00	4371.71
1920	1920 - Computer Equipment - Hardware	93,678.45	78,344.89	15,333.56	0.00	15,333.56	5.00	3066.71
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	10,000.00	5,000.00	5.00	1000.00
1925	1925 - Computer Software	115,957.33	54,982.26	60,975.07	25,000.00	73,475.07	5.00	14695.01
1930	1930 - Transportation Equipment	486,434.62	441,136.22	45,298.40	12,500.00	51,548.40	5.00	10309.68
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45
1940	1940 - Tools, Shop and Garage Equipment	96,771.00	82,807.94	13,963.06	2,000.00	14,963.06	10.00	1496.31
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00		
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00		
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	**1,072,781.44**	**673,127.63**	**399,653.81**	**67,526.00**	**433,416.81**	**120.00**	**39951.06**
	Other Plant							
1855	1855 - Services	9,765.96	0.00	9,765.96	1,000.00	10,265.96	25.00	410.64
1861	1861 - Smart Meters		0.00	0.00	0.00	0.00	15.00	-
1860	1860 - Meters	138,374.00	0.00	138,374.00	0.00	138,374.00	25.00	5,534.96
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00	-
	Sub-Total	**148,139.96**	0.00	**148,139.96**	**1,000.00**	**148,639.96**	**65.00**	**5,945.60**
	TOTAL	3,809,710.90	1,730,083.60	2,079,627.30	126,826.00	2,143,040.30	310.00	108,336.00

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

Appendix F - Net Capital

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

B3 Net Capital Asset Balances

Review projected capital asset account balances (no input on this sheet)

Account Description	2006 EDR Approved - Ending Balances			2006 Actual - Ending Balances		
	Gross Assets	Accumulated Amortization	Net Book Value	Gross Assets	Accumulated Amortization	Net Book Value
1830-Poles, Towers and Fixtures	13,007		13,007	26,712	-2,040	24,672
1835-Overhead Conductors and Devices	1,520,684	-1,027,689	492,995	1,567,230	-1,124,069	443,161
1840-Underground Conduit	3,087		3,087	4,385	-390	3,996
1845-Underground Conductors and Devices	414,573	-282,504	132,069	420,217	-317,227	102,990
1850-Line Transformers	508,705	-412,438	96,268	527,062	-434,497	92,565
1855-Services	5,461		5,461	8,822	-712	8,110
1860-Meters	320,900	-219,643	101,257	356,064	-244,450	111,615
1905-Land	7,600		7,600	7,600		7,600
1906-Land Rights	2,432	-1,396	1,036	4,232	-2,409	1,823
1908-Buildings and Fixtures	185,770	-60,058	125,712	201,570	-70,058	131,512
1915-Office Furniture and Equipment	30,471	-18,232	12,239	42,163	-24,682	17,481
1920-Computer Equipment - Hardware	77,301	-66,330	10,971	79,522	-79,691	-169
1925-Computer Software	49,669	-23,730	25,939	54,982	-50,956	4,026
1930-Transportation Equipment	441,136	-435,250	5,886	441,136	-449,517	-8,381
1935-Stores Equipment	1,855	-1,855	0	1,855	-2,318	-464
1940-Tools, Shop and Garage Equipment	83,808	-72,898	10,910	90,920	-80,993	9,927
1955-Communication Equipment				3,546	-532	3,014
TOTAL	**3,666,459**	**-2,622,024**	**1,044,436**	**3,838,017**	**-2,884,540**	**953,478**

Hearst Power Distribution Company

2010 EDR Application (EB-2009-0266) version:
September 15, 2010

B3 Net Capital Asset Balances

Review projected capital asset account bal

Account Description	2007 Actual - Ending Balances			2008 Actual - Ending Balances		
	Gross Assets	Accumulated Amortization	Net Book Value	Gross Assets	Accumulated Amortization	Net Book Value
1830-Poles, Towers and Fixtures	28,003	-3,134	24,869	30,628	-4,307	26,321
1835-Overhead Conductors and Devices	1,569,727	-1,161,601	408,126	1,579,625	-1,199,382	380,243
1840-Underground Conduit	5,158	-580	4,578	5,873	-801	5,072
1845-Underground Conductors and Devices	420,217	-331,262	88,955	423,390	-345,361	78,029
1850-Line Transformers	538,186	-443,829	94,357	542,572	-453,470	89,101
1855-Services	9,562	-1,080	8,482	9,766	-1,466	8,300
1860-Meters	357,564	-253,343	104,221	358,622	-262,287	96,335
1905-Land	7,600		7,600	7,600		7,600
1906-Land Rights	4,232	-2,832	1,400	4,232	-3,255	977
1908-Buildings and Fixtures	201,570	-74,089	127,481	201,570	-78,120	123,450
1915-Office Furniture and Equipment	42,163	-27,556	14,607	42,163	-30,430	11,733
1920-Computer Equipment - Hardware	79,522	-81,229	-1,707	93,678	-83,089	10,590
1925-Computer Software	54,982	-59,153	-4,171	115,957	-66,313	49,644
1930-Transportation Equipment	471,963	-452,600	19,363	486,435	-460,212	26,223
1935-Stores Equipment	1,855	-2,504	-649	1,855	-2,689	-835
1940-Tools, Shop and Garage Equipment	93,949	-83,682	10,267	96,771	-85,363	11,408
1955-Communication Equipment	3,546	-887	2,660	3,546	-1,241	2,306
TOTAL	**3,889,798**	**-2,979,359**	**910,438**	**4,004,282**	**-3,077,785**	**926,497**

Hearst Power Distribution Company

2010 EDR Application (EB-2009-0266) version:
September 15, 2010

B3 Net Capital Asset Balances

Amounts from sheets B1 and B2

Review projected capital asset account bal

Account Description	2009 Projection - Ending Balances			2010 Projection - Ending Balances		
	Gross Assets	Accumulated Amortization	Net Book Value	Gross Assets	Accumulated Amortization	Net Book Value
1830-Poles, Towers and Fixtures	32,597	-5,571	27,026	42,597	-7,075	35,522
1835-Overhead Conductors and Devices	1,581,980	-1,236,845	345,135	1,600,480	-1,272,963	327,517
1840-Underground Conduit	5,873	-1,036	4,837	5,873	-1,271	4,602
1845-Underground Conductors and Devices	423,390	-359,523	63,867	436,690	-373,951	62,739
1850-Line Transformers	544,950	-463,247	81,702	561,450	-473,402	88,048
1855-Services	9,766	-1,857	7,909	10,766	-2,267	8,499
1860-Meters	138,374	-86,537	51,837	138,374	-92,072	46,302
1905-Land	7,600		7,600	7,600		7,600
1906-Land Rights	4,232	-3,678	554	4,232	-3,858	374
1908-Buildings and Fixtures	214,579	-82,282	132,297	214,579	-86,573	128,006
1915-Office Furniture and Equipment	48,128	-33,602	14,526	66,154	-37,973	28,180
1920-Computer Equipment - Hardware	93,678	-86,365	7,314	103,678	-90,431	13,247
1925-Computer Software	115,957	-78,508	37,449	140,957	-93,203	47,754
1930-Transportation Equipment	486,435	-469,272	17,163	498,935	-479,581	19,353
1935-Stores Equipment	1,855	-2,875	-1,020	1,855	-3,060	-1,205
1940-Tools, Shop and Garage Equipment	96,771	-86,759	10,012	98,771	-88,256	10,515
1955-Communication Equipment	3,546	-1,595	1,952	3,546	-1,949	1,597
TOTAL	**3,809,709**	**-2,999,550**	**810,159**	**3,936,535**	**-3,107,886**	**828,649**

Appendix G - Revenue Requirement

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

F1 Distribution Revenue Requirement

Enter adjustments for non-recurring items in 2010 to be addressed via rate adder

		2010 Projection	Non-recurring items (Total)	2010 Normalized	Comment
OM&A Expenses	*from sheet D1*	923,677		923,677	
3850-Amortization Expense	*from sheet E2*	108,336		108,336	
Total Distribution Expenses		1,032,013		1,032,013	
Regulated Return On Capital	*from sheet D3*	145,674		145,674	
PILs (with gross-up)	*from sheet E4*	4,064		4,064	
Service Revenue Requirement		**1,181,751**		**1,181,751**	
Less: Revenue Offsets	*from sheet C9*	68,907		68,907	
Base Revenue Requirement		**1,112,844**		**1,112,844**	

Appendix H - Working Capital Allowance

Working Capital Allowance

	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2009 Projection	2010 Projection
Working Capital Allowance *(see below)*						1,173,406
Expenses for Working Capital						
Eligible Distribution Expenses:						
3500-Distribution Expenses - Operation	75,222	68,413	77,921	77,447	88,075	95,218
3550-Distribution Expenses - Maintenance	204,262	242,519	245,902	282,332	274,809	284,565
3650-Billing and Collecting	123,003	147,733	166,974	174,112	212,110	230,079
3700-Community Relations	30,540	4,029	3,685	2,619	3,850	5,000
3800-Administrative and General Expenses	205,042	178,765	172,602	159,514	223,795	308,815
3950-Taxes Other Than Income Taxes						
Total Eligible Distribution Expenses	638,069	641,459	667,083	696,024	802,639	923,677
3350-Power Supply Expenses	7,511,429	7,956,376	7,757,123	6,249,357	6,877,964	6,899,032
Total Expenses for Working Capital	8,149,498	8,597,835	8,424,206	6,945,381	7,680,602	7,822,709
Working Capital factor						15.0%
Working Capital Allowance						**1,173,406**

Appendix I - Weighted Avg. Commodity Price

ELECTRICITY PRICE FORECAST

per OEB RPP Price Report, 15-Oct-2010

	$/MWh	$/kWh
HOEP Forecast [1]	$39.23	$0.03923
Global Adjustment [2]	$26.38	$0.02638
Forecast for non-RPP load	$65.61	$0.06561
Forecast for RPP load [2]	$68.38	$0.06838

[1] Page 5, Table 1
[2] Page (iii), Table ES-1

2009 Actual kWh's

	MUSH	RPP	Non-RPP	TOTAL
Residential		24,832,515	1,887,351	26,719,866
GS<50kW		11,303,372	942,521	12,245,893
GS>50kW	3,889,560	3,768,802	10,468,024	14,236,826
Intermediate Users		20,110,397		20,110,397
Sentinel Lights		26,687		26,687
TOTAL	**4,400,904**	**60,531,959**	**13,297,896**	**78,230,759**
	5.6%	*77.4%*	*17.0%*	*100.0%*

	% share	$/kWh
MUSH	5.6%	$0.06561
RPP	77.4%	$0.06838
Non-RPP	17.0%	$0.06561
WEIGHTED AVERAGE PRICE	**100.0%**	**$0.06775**

Appendix J - Calculation of Retail Transmission Service Rates

IESO

TRANS. NETWORKS

MONTH	Volume	ACTUAL RATE	IESO Network Service Charge
Jun-07	7557.00	3.22	24333.54
Jul-07	7246.00	3.22	23332.12
Aug-07	7000.00	3.22	22540
Sep-07	7209.00	3.22	23212.98
Oct-07	6721.00	3.22	21641.62
Nov-07	6571.00	3.22	21158.62
Dec-07	4466.00	3.22	14380.52
Jan-08	4714.00	3.22	15179.08
Feb-08	4373.00	3.22	14081.06
Mar-08	4514.00	3.22	14535.08
Apr-08	3992.00	3.22	12854.24
May-08	3891.00	3.22	12529.02
Jun-08	3754.00	3.22	12087.88
Jul-08	3583.00	3.22	11537.26
Aug-08	3959.00	3.22	12747.98
Sep-08	3796.00	3.22	12223.12
Oct-08	3783.00	3.22	12181.26
Nov-08	4487.00	3.22	14448.14
Dec-08	4338.00	3.22	13968.36
Jan-09	4237.00	3.22	13643.14
Feb-09	4430.00	3.22	14264.6
Mar-09	3786.00	3.22	12190.92
Apr-09	3465.00	3.22	11157.3
May-09	4213.00	3.22	13565.86
Jun-09	3664.00	3.22	11798.08
Jul-09	3234.00	3.22	10413.48
Aug-09	3804.00	3.22	12248.88
Sep-09	3508.00	3.22	11295.76
Oct-09	3553.00	3.22	11440.66
Nov-09	3371.00	3.22	10854.62
Dec-09	3564.00	3.22	11476.08
	140,783		*$ 453,321.26*

TRANS. CONNECTION

MONTH	Volume	ACTUAL RATE	IESO Line Connection Service Charge
Jun-07	7850.00	1.77	13894.5
Jul-07	7764.00	1.77	13742.28
Aug-07	7632.00	1.77	13508.64
Sep-07	7721.00	1.77	13666.17
Oct-07	7907.00	1.77	13995.39
Nov-07	7730.00	1.77	13682.1
Dec-07	5254.00	1.77	9299.58
Jan-08	5339.00	1.77	9450.03
Feb-08	5145.00	1.77	9106.65
Mar-08	4907.00	1.77	8685.39
Apr-08	4693.00	1.77	8306.61
May-08	4560.00	1.77	8071.2
Jun-08	4293.00	1.77	7598.61
Jul-08	4095.00	1.77	7248.15
Aug-08	4334.00	1.77	7671.18
Sep-08	4458.00	1.77	7890.66
Oct-08	4451.00	1.77	7878.27
Nov-08	4605.00	1.77	8150.85
Dec-08	5104.00	1.77	9034.08
Jan-09	4985.00	1.77	8823.45
Feb-09	5024.00	1.77	8892.48
Mar-09	4204.00	1.77	7441.08
Apr-09	4077.00	1.77	7216.29
May-09	4391.00	1.77	7772.07
Jun-09	4311.00	1.77	7630.47
Jul-09	3805.00	1.77	6734.85
Aug-09	4085.00	1.77	7230.45
Sep-09	4127.00	1.77	7304.79
Oct-09	4180.00	1.77	7398.6
Nov-09	3966.00	1.77	7019.82
Dec-09	3959.00	1.77	7007.43
	158,956		*$ 281,352.12*

line. CONNECTION

MONTH	Volume	ACTUAL RATE	IESO Line Connection Service Charge
Jun-07	7850.00	0.79	6201.5
Jul-07	7764.00	0.79	6133.56
Aug-07	7632.00	0.79	6029.28
Sep-07	7721.00	0.79	6099.59
Oct-07	7907.00	0.79	6246.53
Nov-07	7730.00	0.79	6106.7
Dec-07	5254.00	0.79	4150.66
Jan-08	5339.00	0.79	4217.81
Feb-08	5145.00	0.79	4064.55
Mar-08	4907.00	0.79	3876.53
Apr-08	4693.00	0.79	3707.47
May-08	4560.00	0.79	3602.4
Jun-08	4293.00	0.79	3391.47
Jul-08	4095.00	0.79	3235.05
Aug-08	4334.00	0.79	3423.86
Sep-08	4458.00	0.79	3521.82
Oct-08	4451.00	0.79	3516.29
Nov-08	4605.00	0.79	3637.95
Dec-08	5104.00	0.79	4032.16
Jan-09	4985.00	0.79	3938.15
Feb-09	5024.00	0.79	3968.96
Mar-09	4204.00	0.79	3321.16
Apr-09	4077.00	0.79	3220.83
May-09	4391.00	0.79	3468.89
Jun-09	4311.00	0.79	3405.69
Jul-09	3805.00	0.79	3005.95
Aug-09	4085.00	0.79	3227.15
Sep-09	4127.00	0.79	3260.33
Oct-09	4180.00	0.79	3302.2
Nov-09	3966.00	0.79	3133.14
Dec-09	3959.00	0.79	3127.61
	158,956		*$ 125,575.24*

HYDRO ONE

BILLED TO Hearst CUSTOMERS

	TRANS. NETWORKS				TRANS. CONNECTION			
MONTH	Volume	ACTUAL RATE	H1 CURRENT Network Service Charge		MONTH	Volume	ACTUAL RATE	H1 Line Connection Service Charge
Jun-07	9069.00	$ 2.65	$ 24,032.85		Jun-07	9069.00	$ 2.14	19,407.66
Jul-07	8735.00	$ 2.65	$ 23,147.75		Jul-07	8735.00	$ 2.14	18,692.90
Aug-07	8516.00	$ 2.65	$ 22,567.40		Aug-07	8516.00	$ 2.14	18,224.24
Sep-07	8672.00	$ 2.65	$ 22,980.80		Sep-07	8672.00	$ 2.14	18,558.08
Oct-07	9042.00	$ 2.65	$ 23,961.30		Oct-07	9352.00	$ 2.14	20,013.28
Nov-07	12179.00	$ 2.65	$ 32,274.35		Nov-07	12179.00	$ 2.14	26,063.06
Dec-07	12538.00	$ 2.65	$ 33,225.70		Dec-07	12538.00	$ 2.14	26,831.32
Jan-08	12273.00	$ 2.65	$ 32,523.45		Jan-08	12273.00	$ 2.14	26,264.22
Feb-08	11682.00	$ 2.65	$ 30,957.30		Feb-08	11878.00	$ 2.14	25,418.92
Mar-08	10559.00	$ 2.65	$ 27,981.35		Mar-08	11061.00	$ 2.14	23,670.54
Apr-08	9608.00	$ 2.65	$ 25,461.20		Apr-08	9608.00	$ 2.14	20,561.12
May-08	9023.00	$ 2.65	$ 23,910.95		May-08	9023.00	$ 2.14	19,309.22
Jun-08	8326.00	$ 2.65	$ 22,063.90		Jun-08	8326.00	$ 2.14	17,817.64
Jul-08	7806.00	$ 2.65	$ 20,685.90		Jul-08	7806.00	$ 2.14	16,704.84
Aug-08	8735.00	$ 2.65	$ 23,147.75		Aug-08	8735.00	$ 2.14	18,692.90
Sep-08	8248.00	$ 2.65	$ 21,857.20		Sep-08	8248.00	$ 2.14	17,650.72
Oct-08	9337.00	$ 2.65	$ 24,743.05		Oct-08	9547.00	$ 2.14	20,430.58
Nov-08	11364.00	$ 2.65	$ 30,114.60		Nov-08	11364.00	$ 2.14	24,318.96
Dec-08	12741.00	$ 2.65	$ 33,763.65		Dec-08	12741.00	$ 2.14	27,265.74
Jan-09	13073.00	$ 2.65	$ 34,643.45		Jan-09	13073.00	$ 2.14	27,976.22
Feb-09	11637.00	$ 2.65	$ 30,838.05		Feb-09	11685.00	$ 2.14	25,005.90
Mar-09	9017.00	$ 2.65	$ 23,895.05		Mar-09	9271.00	$ 2.14	19,839.94
Apr-09	7662.00	$ 2.65	$ 20,304.30		Apr-09	7662.00	$ 2.14	16,396.68
May-09	8297.00	$ 2.65	$ 21,987.05		May-09	8297.00	$ 2.14	17,755.58
Jun-09	8425.00	$ 2.65	$ 22,326.25		Jun-09	8425.00	$ 2.14	18,029.50
Jul-09	5823.00	$ 2.65	$ 15,430.95		Jul-09	5823.00	$ 2.14	12,461.22
Aug-09	7742.00	$ 2.65	$ 20,516.30		Aug-09	7742.00	$ 2.14	16,567.88
Sep-09	8314.00	$ 2.65	$ 22,032.10		Sep-09	8314.00	$ 2.14	17,791.96
Oct-09	8960.00	$ 2.65	$ 23,744.00		Oct-09	8998.00	$ 2.14	19,255.72
Nov-09	9450.00	$ 2.65	$ 25,042.50		Nov-09	9450.00	$ 2.14	20,223.00
Dec-09	9962.00	$ 2.65	$ 26,399.30		Dec-09	9962.00	$ 2.14	21,318.68
	296,815		*$ 786,559.75*			*298,373*		*$ 638,518.22*

MONTH	total tn BILLED at current rates	total tc BILLED at current rates
Jun-07	37,587.41	42,269.17
Jul-07	36,441.76	40,976.51
Aug-07	35,564.76	39,990.88
Sep-07	36,262.68	40,788.21
Oct-07	34,978.04	39,335.29
Nov-07	37,844.28	42,571.38
Dec-07	41,130.80	46,283.33
Jan-08	36,292.47	40,737.06
Feb-08	43,067.93	48,422.11
Mar-08	39,088.95	43,903.46
Apr-08	37,325.78	41,925.95
May-08	33,129.98	37,173.32
Jun-08	32,713.14	36,731.67
Jul-08	28,910.02	32,415.43
Aug-08	29,464.00	33,086.61
Sep-08	28,186.74	31,641.85
Oct-08	29,287.98	32,857.82
Nov-08	31,623.53	35,503.20
Dec-08	33,434.03	37,535.87
Jan-09	38,652.83	43,436.27
Feb-09	42,051.48	47,281.65
Mar-09	39,487.19	44,394.33
Apr-09	33,136.79	37,229.26
May-09	28,576.31	32,115.74
Jun-09	29,113.34	32,674.12
Jul-09	28,774.92	32,298.18
Aug-09	27,436.03	30,816.09
Sep-09	27,837.95	31,246.25
Oct-09	28,728.15	32,227.05
Nov-09	30,247.00	33,961.75
Dec-09	30,121.40	33,824.73
	$ 1,046,497.67	*$ 1,175,654.55*

Adjustements	Network	Connection
Supply cost	$1,239,881	$1,045,446
Billing Revenues	$1,046,498	$1,175,655
Ratio	1.185	0.889

Current Rates	T.N.	TC	
Residential	$0.0044	$0.0050	kWh
GS < 50kW	$0.0040	$0.0045	kWh
GS 50 to 4999 kW	$1.6512	$1.7837	kWh
Intermediate	$1.8467	$2.1038	kWh
Sent Light	$1.2516	$1.4077	KW
Street Lights	$1.2452	$1.3790	KW

	TN	TC	
Residential	$ 0.0052	$ 0.0044	kWh
GS < 50kW	$ 0.0047	$ 0.0040	kWh
GS 50 to 4999 kW	$ 1.9563	$ 1.5861	kWh
Intermediate	$ 2.1880	$ 1.8708	
Sent Light	$ 1.4829	$ 1.2518	kWh
Street Lights	$ 1.4753	$ 1.2263	kWh
Street Lights	$ 1.4753	$ 1.2263	KW

Appendix K- Pass-Through Charges – revised average RPP rates

C2 Pass-through Charges

Volumes from sheet C1, Account #s from sheet Y4

Electricity (Commodity)	**Customer**	**2009**	*rate ($/kWh):*	**$0.067750**	**2010**	*rate ($/kWh):*	**$0.067750**	
	Class Name	**Volume**		**Amount**	**Volume**		**Amount**	
kWh	Residential	27,948,974		1,893,543	27,852,221		1,886,988	
kWh	GS<50kW	11,955,667		809,996	12,976,189		879,137	
kWh	GS>50kW	18,960,200		1,284,554	19,897,945		1,348,086	
kWh	Intermediate Users	21,035,475		1,425,153	19,353,465		1,311,197	
kWh	Sentinel Lights	27,915		1,891	24,627		1,668	
kWh	Street Lights	1,047,600		70,975	1,052,302		71,293	
	TOTAL	**80,975,831**		**5,486,113**	**81,156,750**		**5,498,370**	
Transmission - Network	**Customer**		**2009**			**2010**		
	Class Name	**Volume**	**Rate**	**Amount**	**Volume**	**Rate**	**Amount**	
kWh	Residential	27,948,974	$0.0044	122,975	27,852,221	$0.0052	144,832	
kWh	GS<50kW	11,955,667	$0.0040	47,823	12,976,189	$0.0047	60,988	
kW	GS>50kW	50,670	$1.6512	83,666	53,176	$1.9563	104,028	
kW	Intermediate Users	65,897	$1.8467	121,692	59,721	$2.1880	130,669	
kW	Sentinel Lights	99	$1.2516	124	72	$1.4829	107	
kW	Street Lights	3,071	$1.2452	3,824	3,084	$1.4753	4,550	
	TOTAL	**40,024,378**		**380,104**	**40,944,463**		**445,174**	
Transmission - Connection	**Customer**		**2009**			**2010**		
	Class Name	**Volume**	**Rate**	**Amount**	**Volume**	**Rate**	**Amount**	
kWh	Residential	27,948,974	$0.0050	139,745	27,852,221	$0.0044	122,550	
kWh	GS<50kW	11,955,667	$0.0045	53,801	12,976,189	$0.0040	51,905	
kW	GS>50kW	50,670	$1.7837	90,380	53,176	$1.5861	84,343	
kW	Intermediate Users	65,897	$2.1038	138,634	59,721	$1.8708	111,726	
kW	Sentinel Lights	99	$1.4077	139	72	$1.2518	90	
kW	Street Lights	3,071	$1.3790	4,235	3,084	$1.2263	3,782	
	TOTAL	**40,024,378**		**426,934**	**40,944,463**		**374,395**	
Wholesale Market Service	**Customer**	**2009**	*rate ($/kWh):*	**$0.00520**	**2010**	*rate ($/kWh):*	**$0.00520**	
	Class Name	**Volume**		**Amount**	**Volume**		**Amount**	
kWh	Residential	27,948,974		145,335	27,852,221		144,832	
kWh	GS<50kW	11,955,667		62,169	12,976,189		67,476	
kWh	GS>50kW	18,960,200		98,593	19,897,945		103,469	
kWh	Intermediate Users	21,035,475		109,384	19,353,465		100,638	
kWh	Sentinel Lights	27,915		145	24,627		128	
kWh	Street Lights	1,047,600		5,448	1,052,302		5,472	
	TOTAL	**80,975,831**		**421,074**	**81,156,750**		**422,015**	
Rural Rate Protection	**Customer**	**2009**	*rate ($/kWh):*	**$0.00130**	**2010**	*rate ($/kWh):*	**$0.00130**	
	Class Name	**Volume**		**Amount**	**Volume**		**Amount**	
kWh	Residential	27,948,974		36,334	27,852,221		36,208	
kWh	GS<50kW	11,955,667		15,542	12,976,189		16,869	
kWh	GS>50kW	18,960,200		24,648	19,897,945		25,867	
kWh	Intermediate Users	21,035,475		27,346	19,353,465		25,160	
kWh	Sentinel Lights	27,915		36	24,627		32	
kWh	Street Lights	1,047,600		1,362	1,052,302		1,368	
	TOTAL	**80,975,831**		**105,269**	**81,156,750**		**105,504**	
Debt Retirement Charge	**Customer**	**2009**	*rate ($/kWh):*	**$0.00610**	**2010**	*rate ($/kWh):*	**$0.00610**	
	Class Name	**Volume**		**Amount**	**Volume**		**Amount**	
	TOTAL							
Low Voltage Charges	**Customer**		**2009**			**2010**		
	Class Name	**Volume**		**Amount**	**Volume**		**Amount**	
	TOTAL (Input amount)		58,470	**58,470**		53,574	**53,574**	
GRAND TOTAL				**6,877,964**			**6,899,032**	

Appendix L - Calculation of Loss Revenue Rate Rider

Foregone Revenue Rate Rider

To allow the annual revenue requirement to be realized over 2 months, a rate rider equilavent to 1/13 of the difference between the new core rate and the existing rate will apply until April 30, 2012

Monthly Service Charge	New Rate (1)	Existing Rate (2)				Difference/ month	2 months	Rate Rider
Residential	9.00	7.42				1.58	3.16	0.24
General Service Less Than 50 kW	19.50	4.97				14.53	29.06	2.24
General Service 50 to 1499 kW	66.00	29.41				36.59	73.18	5.63
Intermediate	220.00	57.09				162.91	325.82	25.06
Sentinel Lights	7.00	3.98				3.02	6.04	0.46
Street Lighting	5.50	0.99				4.51	9.02	0.69

Distribution Volumetric Rate *	New Rate (1)	Existing Rate (2)	Existing LV rates (3)	Rates Net of current LV rates		Difference/ month	2 months	Rate Rider
Residential	0.0163	0.0102	0.0007	0.0095		0.0068	0.0136	0.0010
General Service Less Than 50 kW	0.0072	0.0097	0.0006	0.0091		-0.0019	-0.0038	-0.0003
General Service 50 to 1499 kW	3.0215	2.9926	0.2492	2.7434		0.2781	0.5562	0.0428
Intermediate	1.2754	0.8703	0.2986	0.5717		0.7037	1.4074	0.1083
Sentinel Lights	3.2569	1.8938	0.1882	1.7056		1.5513	3.1026	0.2387
Street Lighting	1.7782	1.2912	0.1906	1.1006		0.6776	1.3552	0.1042

(1) New Rates = From F7 Final Rates (Exclude LV charge)
(2) Existing Rates = From C3.DistRates
(3) Exisitng LV rates = 2006 EDR model. Sheet 8-2 Low Voltage / Wheeling Adjustments

Appendix M - Results from Cost Allocation

- Revenue Allocation
- Rate Design
- Reconciliation of Rates with Revenue / Recovery Requirement

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

F3 Cost Allocation

Enter selected amounts from sheets 'O1' and 'O2' of Cost Allocation model

Customer Class Name	REVENUE ALLOCATION (sheet O1)						
	Service Revenue Requirement	%	Miscellaneous Revenue (mi)	%	Base Revenue Requirement *	%	Revenue to Expenses %
Residential	726,258	61.46%	45,166	65.55%	681,092	61.20%	99.79%
GS<50kW	186,494	15.78%	13,725	19.92%	172,769	15.52%	115.32%
GS>50kW	76,770	6.50%	6,295	9.14%	70,475	6.33%	288.87%
Intermediate Users	55,250	4.68%	1,773	2.57%	53,477	4.81%	-6.96%
Sentinel Lights	1,568	0.13%	36	0.05%	1,532	0.14%	58.84%
Street Lights	135,412	11.46%	1,911	2.77%	133,501	12.00%	17.07%
TOTAL (from Column C of sheet O1)	**1,181,752**	**100.00%**	**68,906**	**100.00%**	**1,112,846**	**100.00%**	**100.00%**
	OK	**OK**	**OK**	**OK**	**OK**	**OK**	

** Service Revenue Requirement less Miscellaneous Revenue*

Customer Class Name	CUSTOMER UNIT COST PER MONTH (sheet O2)				
	Avoided Costs (Minimum Charge)	Directly Related	Minimum System with PLCC * adjustment	Existing Fixed Rate	Maximum Charge **
Residential	$5.40	$8.35	$17.85	$7.42	$17.85
GS<50kW	$11.07	$17.16	$24.75	$4.97	$24.75
GS>50kW	$41.74	$66.30	$65.41	$29.41	$66.30
Intermediate Users	$151.88	$230.49	$228.38	$57.09	$230.49
Sentinel Lights	$0.25	$0.41	$11.54	$3.98	$11.54
Street Lights	$0.01	$0.01	$12.06	$0.99	$12.06

** PLCC = 'Peak Load Carrying Capability'*

*** Greater of 'Directly Related', 'Minimum System with PLCC adjustment', and Existing Fixed Rate*

F4 Revenue Requirement Allocation

Customer Class Name	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement $ [3]			Directly Assigned Revenues [3]	Total Base Revenue Requirement
	Cost Allocation [1]	Existing Rates [2]	Rate Application	Cost Allocation	Existing Rates	Rate Application		
Residential	61.20%	55.36%	59.90%	681,091	616,030	666,566		666,566
GS<50kW	15.52%	16.62%	15.52%	172,769	185,000	172,769		172,769
GS>50kW	6.33%	19.97%	14.76%	70,475	222,208	164,226		164,226
Intermediate Users	4.81%	6.25%	3.81%	53,477	69,582	42,427		42,427
Sentinel Lights	0.14%	0.07%	0.10%	1,532	791	1,062		1,062
Street Lights	12.00%	1.73%	5.91%	133,501	19,234	65,795		65,795
TOTAL	**100.00%**	**100.00%**	**100.00%**	**1,112,844**	**1,112,844**	1,112,844		**1,112,844**
			OK					

[1] from sheet F3
[2] from sheet C4
[3] from sheet F2

Customer Class Name	Total Base Revenue Requirement	Transformer Allowance Recovery [4]	Low Voltage Revenue Required [5]	Gross Base Revenue Requirement
Residential	666,566		17,536	684,102
GS<50kW	172,769		7,427	180,196
GS>50kW	164,226	14,474	12,069	190,769
Intermediate Users	42,427	25,673	15,987	84,087
Sentinel Lights	1,062		13	1,074
Street Lights	65,795		541	66,336
TOTAL	**1,112,844**	**40,147**	**53,574**	**1,206,565**
		OK		

[4] Volume per sheet C4; total allocations must match total amount of allowances
[5] allocated per table below:

2010 Transformer Allowances

	Volume [4]	Rate	Amount
kW:	89,216	($0.4500)	-40,147

F4 Revenue Requirement Allocation

Customer Class Name	Test Year Revenues [6] Transmission - Connection	Class Share	Low Voltage Charges [7]	Volume (kWh or kW)	Low Voltage Rate	per
Residential	122,550	32.7%	17,536	26,627,362	$0.0007	kWh
GS<50kW	51,905	13.9%	7,427	12,405,535	$0.0006	kWh
GS>50kW	84,343	22.5%	12,069	53,176	$0.2270	kW
Intermediate Users	111,726	29.8%	15,987	59,721	$0.2677	kW
Sentinel Lights	90	0.0%	13	72	$0.1791	kW
Street Lights	3,782	1.0%	541	3,084	$0.1755	kW
TOTAL	**374,395**	**100.0%**	**53,574**			
		OK				

[6] charge type per sheet Y4; amounts per sheet C2;

[7] Total per sheet C2; allocated to customer classes based on Class Share

Customer Class Name	Service Revenue Requirement			Previous Revenue to Cost Ratio [9]	Variance	Target Range	
	Rate Application [8]	Cost Allocation [8]	Revenue to Cost Ratio			Floor	Celiling
Residential	711,732	726,257	0.98	1.00	-0.02	0.85	1.15
GS<50kW	186,494	186,494	1.00	1.15	-0.15	0.80	1.20
GS>50kW	170,521	76,770	2.22	2.89	-0.67	0.80	1.80
Intermediate Users	44,200	55,250	0.80	-0.07	0.87	0.80	1.80
Sentinel Lights	1,098	1,568	0.70	0.59	0.11	0.70	1.20
Street Lights	67,706	135,412	0.50	0.17	0.33	0.70	1.20
TOTAL	1,181,750	1,181,750	1.00	1.00			

[8] Base Revenue Requirement (per first table above), plus Miscellaneous Revenues (per sheet F3)

[9] from sheet F3

F5 Fixed/Variable Rate Design

	Existing Rates (1)			Cost Allocation - Minimum Fixed Rate (2)			Cost Allocation - Maximun Fixed Rate (2)		
Customer Class Name	**Rate**	**Fixed %**	**Variable %**	**Rate**	**Fixed %**	**Variable %**	**Rate**	**Fixed %**	**Variable %**
Residential	$7.42	43.22%	56.78%	$5.40	21.99%	78.01%	$17.85	72.70%	27.30%
GS<50kW	$4.97	16.23%	83.77%	$11.07	28.82%	71.18%	$24.75	64.44%	35.56%
GS>50kW	$29.41	7.77%	92.23%	$41.74	9.98%	90.02%	$66.30	15.85%	84.15%
Intermediate Users	$57.09	3.80%	96.20%	$151.88	6.50%	93.50%	$230.49	9.87%	90.13%
Sentinel Lights	$3.98	77.79%	22.21%	$0.25	2.79%	97.21%	$11.54	128.88%	-28.88%
Street Lights	$0.99	73.34%	26.66%	$0.01	0.17%	99.83%	$12.06	201.15%	-101.15%

(1) per sheet C4

(2) Rates per sheet F3; %s based on # customers per sheet C1 and revenue requirement allocated to customer class per sheet F4

	Existing Fixed/Variable Split (3)			Rate Application *			Resulting Usage		(4) Existing
Customer Class Name	**Rate**	**Fixed %**	**Variable %**	**Rate**	**Fixed %**	**Variable %**	**Rate**	**per**	**Usage Rate**
Residential	$10.61	43.22%	56.78%	**$9.00**	36.66%	63.34%	**$0.0163**	kWh	$0.0102
GS<50kW	$6.23	16.23%	83.77%	**$19.50**	50.77%	49.23%	**$0.0072**	kWh	$0.0097
GS>50kW	$32.52	7.77%	92.23%	**$66.00**	15.78%	84.22%	**$3.0215**	kW	$2.9926
Intermediate Users	$88.85	3.80%	96.20%	**$220.00**	9.42%	90.58%	**$1.2754**	kW	$0.8703
Sentinel Lights	$6.97	77.79%	22.21%	**$7.00**	78.18%	21.82%	**$3.2569**	kW	$1.8938
Street Lights	$4.40	73.34%	26.66%	**$5.50**	91.73%	8.27%	**$1.7782**	kW	$1.2912

(3) %s per Existing Rates, Rate based on Revenue Requirement allocated to Customer Class per sheet F4 and # customers per sheet C1

(4) per sheet C4

** See sheet 'FixedVarRevenue' for % splits excluding LV & Transformer Allowance recoveries*

F6 Reconciliation of Rates with Revenue / Recovery Requirements

DISTRIBUTION CHARGES

	Fixed Charge			Variable Charge			Gross Revenue from Distribution Charges		
Customer Class Name	**Rate [1]**	**Volume [2]**	**Revenue [3]**	**Rate [1]**	**Volume [2]**	**Revenue [3]**	**Calculated ***	**Allocated ****	**Difference**
Residential	$9.00	27,864	250,776	$0.0163	26,627,362	434,026	684,802	684,102	700
GS<50kW	$19.50	4,692	91,494	$0.0072	12,405,535	89,320	180,814	180,196	618
GS>50kW	$66.00	456	30,096	$3.0215	53,176	160,671	190,767	190,769	-2
Intermediate Users	$220.00	36	7,920	$1.2754	59,721	76,168	84,088	84,087	1
Sentinel Lights	$7.00	120	840	$3.2569	72	235	1,075	1,074	0
Street Lights	$5.50	11,064	60,852	$1.7782	3,084	5,484	66,336	66,336	-0
TOTAL			**441,978**			**765,904**	**1,207,882**	**1,206,565**	**1,316**

[1] From sheet F5, rounded off to decimals displayed

[2] Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

[3] Rate x Volume

** Sum of 'Revenue' columns*

*** From sheet F4 (Gross Base Revenue Requirement)*

LOW VOLTAGE

		Variable Charge (Credit)			Proceeds from Recovery Charges (Credits)		
Customer Class Name		**Rate [1]**	**Volume [2]**	**Proceeds [3]**	**Calculated ***	**Allocated ****	**Difference**
Residential		$0.0007	26,627,362	18,639	18,639	17,536	1,103
GS<50kW		$0.0006	12,405,535	7,443	7,443	7,427	16
GS>50kW		$0.2270	53,176	12,071	12,071	12,069	2
Intermediate Users		$0.2677	59,721	15,987	15,987	15,987	-0
Sentinel Lights		$0.1791	72	13	13	13	0
Street Lights		$0.1755	3,084	541	541	541	0
TOTAL				**54,695**	**54,695**	**53,574**	**1,121**

[1] From sheet F4, rounded off to decimals displayed

[2] Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

[3] Rate x Volume

** = 'Proceeds' column*

*** From sheet F4 ('Low Voltage Charges')*

F6 Reconciliation of Rates with Revenue / Recovery Requirements

DEFERRAL/VARIANCE ACCOUNT RECOVERY CHARGES (CREDITS)

Customer Class Name		Variable Charge (Credit)			Proceeds from Recovery Charges (Credits)		
		Rate [1]	Volume [2]	Proceeds [3]	Calculated *	Allocated **	Difference
Residential		($0.0043)	26,627,362	-114,498	-114,498	-114,798	300
GS<50kW		($0.0040)	12,405,535	-49,622	-49,622	-50,115	493
GS>50kW		($1.3889)	53,176	-73,856	-73,856	-73,857	0
Intermediate Users		($1.2268)	59,721	-73,266	-73,266	-73,267	1
Sentinel Lights		($5.5214)	72	-398	-398	-398	0
Street Lights		($3.1332)	3,084	-9,663	-9,663	-9,663	-0
TOTAL				**-321,302**	**-321,302**	**-322,097**	**795**

[1] From sheet C7 ('Proposed Rate Rider'), rounded off to decimals displayed

[2] Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

[3] Rate x Volume

** = 'Proceds' column*

*** From sheet C7 ('Annual Recovery Amounts')*

Proposed Tariff Sheet

Attachment 1 of 1

Proposed Tariff Sheet

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0171

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	9.09
Distribution Volumetric Rate	$/kWh	0.0158
Low Voltage Service Rate	$/kWh	0.0007
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non-RPP Customers	$/kWh	0.0020
Rate Rider for LRAM – effective until April 30, 2013	$/kWh	0.0015
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0043)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	$/kWh	(0.0024)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0044

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0171

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	19.54
Distribution Volumetric Rate	$/kWh	0.0066
Low Voltage Service Rate	$/kWh	0.0006
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	$/kWh	0.0020
Rate Rider for LRAM – effective until April 30, 2013	$/kWh	0.0004
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kWh	(0.0040)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	$/kWh	(0.0024)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0040

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0171

GENERAL SERVICE 50 to 1,499 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	54.18
Distribution Volumetric Rate	$/kW	2.2941
Low Voltage Service Rate	$/kW	0.2270
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2011 Applicable only for Non-RPP Customers	$/kWh	0.0020
Rate Rider for LRAM – effective until April 30, 2013	$/kW	0.1186
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(1.3889)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	$/kW	(0.8535)
Retail Transmission Rate – Network Service Rate	$/kW	1.9983
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.5826

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0171

INTERMEDIATE USERS SERVICE CLASSIFICATION

Note – Classification definition specific for each distributor

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	220.40
Distribution Volumetric Rate	$/kW	1.0095
Low Voltage Service Rate	$/kW	0.2677
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non-RPP Customers	$/kWh	0.0020
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(1.2268)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	$/kW	(0.7289)
Retail Transmission Rate – Network Service Rate	$/kW	2.2350
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.8666

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0171

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	7.01
Distribution Volumetric Rate	$/kW	3.0833
Low Voltage Service Rate	$/kW	0.1791
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(5.5214)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	$/kW	(0.8250)
Retail Transmission Rate – Network Service Rate	$/kW	1.5147
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2376

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0171

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	7.78
Distribution Volumetric Rate	$/kW	2.2665
Low Voltage Service Rate	$/kW	0.1755
Rate Rider for Global Adjustment Sub-Account Disposition (2012)– effective until April 30, 2013 Applicable only for Non-RPP Customers	$/kWh	0.0020
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	$/kW	(3.1332)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	$/kW	(0.7643)
Retail Transmission Rate – Network Service Rate	$/kW	1.5070
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2124

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0171

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component – effective September 21, 2009

Service Charge	$	5.25

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0171

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Arrears Certificate	$	15.00
Easement Letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned Cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – no disconnection	$	30.00
Disconnect/Reconnect at Meter - during Regular Hours	$	40.00
Disconnect/Reconnect at Pole - during Regular Hours	$	time and materials
Install/Remove load control device – during regular hours	$	40.00
Temporary service install and remove – overhead – no transformer	$	time and materials
Temporary service install and remove – underground – no transformer	$	time and materials
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Hearst Power Distribution Company Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0171

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0460
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0356
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Summary of Bill Impacts

The following is the summary of Bill Impacts for rates effective May 1, 2012.

Summary Of Bill Impacts

	Delivery Bill Impact %	Total Bill Impact $'s	Total Bill Impact %
Residential	-13.4%	-4.13	-4.1%
General Service Less Than 50 kW	-16.9%	-8.37	-3.5%
General Service 50 to 1,499 kW	-33.0%	-312.48	-6.6%
Intermediate User	-29.4%	-3,235.37	-5.4%
Sentinel Lighting	-22.0%	-2.18	-8.3%
Street Lighting	25.7%	1.92	2.7%

Attachment 1 of 1

Bill Impacts

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Rate Class

Residential

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	9.00	9.09
Smart Meter Funding Adder	2.50	-
Service Charge Rate Rider(s)	0.54	-
Distribution Volumetric Rate	0.01560	0.01575
Distribution Volumetric Rate Rider(s)	(0.00340)	(0.00556)
Low Voltage Volumetric Rate	0.00070	0.00070
Retail Transmission Rate – Network Service Rate	0.00520	0.00530
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00440	0.00440
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0460	1.0460

Consumption	800	kWh		kW
RPP Tier One	600	kWh	*Load Factor*	

Current Loss Factor	*1.0460*
Proposed Loss Factor	*1.0460*

Residential	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	37.33%
Energy Second Tier (kWh)	236.80	0.0790	18.71	236.80	0.0790	18.71	0.00	0.00%	17.12%
Sub-Total: Energy			**59.51**			**59.51**	**0.00**	**0.00%**	**54.45%**
Service Charge	1	9.00	9.00	1	9.09	9.09	0.09	0.97%	8.31%
Service Charge Rate Rider(s)	1	3.04	3.04	1	0.00	0.00	-3.04	(100.00)%	0.00%
Distribution Volumetric Rate	800	0.0156	12.48	800	0.0158	12.60	0.12	0.97%	11.53%
Low Voltage Volumetric Rate	800	0.0007	0.56	800	0.0007	0.56	0.00	0.00%	0.51%
Distribution Volumetric Rate Rider(s)	800	(0.0034)	(2.72)	800	(0.0056)	(4.45)	-1.73	63.53%	(4.07)%
Total: Distribution			**22.36**			**17.80**	**-4.56**	**(20.40)%**	**16.29%**
Retail Transmission Rate – Network Service Rate	836.80	0.0052	4.35	836.80	0.0053	4.44	0.08	1.92%	4.06%
Retail Transmission Rate – Line and Transformation Connection Service Rate	836.80	0.0044	3.68	836.80	0.0044	3.68	0.00	0.00%	3.37%
Total: Retail Transmission			**8.03**			**8.12**	**0.08**	**1.04%**	**7.43%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**30.39**			**25.92**	**-4.48**	**(14.73)%**	**23.71%**
Wholesale Market Service Rate	836.80	0.0052	4.35	836.80	0.0052	4.35	0.00	0.00%	3.98%
Rural Rate Protection Charge	836.80	0.0013	1.09	836.80	0.0013	1.09	0.00	0.00%	1.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.23%
Sub-Total: Regulatory			**5.69**			**5.69**			**5.21%**
Debt Retirement Charge (DRC)	800.00	0.00700	**5.60**	800	0.0070	**5.60**	**0.00**	**0.00%**	**5.12%**
Total Bill before Taxes			**101.19**			**96.71**	**-4.48**	**(4.42)%**	**88.50%**
HST		13%	**13.15**		13%	**12.57**	**-0.58**	**(4.42)%**	**11.50%**
Total Bill			**114.34**			**109.29**	**-5.06**	**(4.42)%**	**100.00%**
Ontario Clean Energy Benefit (OCEB)		**(10%)**	**-11.43**		**(10%)**	**-10.93**			
Total Bill (less OCEB)			**102.91**			**98.36**	**(4.55)**	**(4.42)%**	

Rate Class

General Service Less Than 50 kW

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	19.50	19.54
Smart Meter Funding Adder	2.50	-
Service Charge Rate Rider(s)	2.78	-
Distribution Volumetric Rate	0.00660	0.00661
Distribution Volumetric Rate Rider(s)	(0.00440)	(0.00217)
Low Voltage Volumetric Rate	0.00060	0.00060
Retail Transmission Rate – Network Service Rate	0.00470	0.00480
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00400	0.00400
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0460	1.0460

Consumption	2,000	kWh		kW	
RPP Tier One	600	kWh	*Load Factor*		

Current Loss Factor	*1.0460*
Proposed Loss Factor	*1.0460*

General Service Less Than 50 kW	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	15.39%
Energy Second Tier (kWh)	1,492.00	0.0790	117.87	1,492.00	0.0790	117.87	0.00	0.00%	44.47%
Sub-Total: Energy			**158.67**			**158.67**	**0.00**	**0.00%**	**59.86%**
Service Charge	1	19.50	19.50	1	19.54	19.54	0.04	0.18%	7.37%
Service Charge Rate Rider(s)	1	5.28	5.28	1	0.00	0.00	-5.28	(100.00)%	0.00%
Distribution Volumetric Rate	2,000	0.0066	13.20	2,000	0.0066	13.22	0.02	0.18%	4.99%
Low Voltage Volumetric Rate	2,000	0.0006	1.20	2,000	0.0006	1.20	0.00	0.00%	0.45%
Distribution Volumetric Rate Rider(s)	2,000	(0.0044)	(8.80)	2,000	(0.0022)	(4.33)	4.47	(50.79)%	(1.63)%
Total: Distribution			**30.38**			**29.63**	**-0.75**	**(2.47)%**	**11.18%**
Retail Transmission Rate – Network Service Rate	2,092.00	0.0047	9.83	2,092.00	0.0048	10.04	0.21	2.13%	3.79%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,092.00	0.0040	8.37	2,092.00	0.0040	8.37	0.00	0.00%	3.16%
Total: Retail Transmission			**18.20**			**18.41**	**0.21**	**1.15%**	**6.95%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**48.58**			**48.04**	**-0.54**	**(1.12)%**	**18.12%**
Wholesale Market Service Rate	2,092.00	0.0052	10.88	2,092.00	0.0052	10.88	0.00	0.00%	4.10%
Rural Rate Protection Charge	2,092.00	0.0013	2.72	2,092.00	0.0013	2.72	0.00	0.00%	1.03%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.09%
Sub-Total: Regulatory			**13.85**			**13.85**			**5.22%**
Debt Retirement Charge (DRC)	2,000.00	0.00700	**14.00**	2,000	0.0070	**14.00**	**0.00**	**0.00%**	**5.28%**
Total Bill before Taxes			**235.10**			**234.55**	**-0.54**	**(0.23)%**	**88.50%**
HST		13%	**30.56**		13%	**30.49**	**-0.07**	**(0.23)%**	**11.50%**
Total Bill			**265.66**			**265.05**	**-0.61**	**(0.23)%**	**100.00%**
Ontario Clean Energy Benefit (OCEB)		**(10%)**	**-26.57**		**(10%)**	**-26.50**			
Total Bill (less OCEB)			**239.09**			**238.54**	**(0.55)**	**(0.23)%**	

Rate Class

General Service 50 to 1,499 kW

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	66.00	54.18
Smart Meter Funding Adder	2.50	-
Service Charge Rate Rider(s)	10.98	-
Distribution Volumetric Rate	2.79450	2.29413
Distribution Volumetric Rate Rider(s)	(1.38100)	(0.75571)
Low Voltage Volumetric Rate	0.22700	0.22700
Retail Transmission Rate – Network Service Rate	1.95630	1.99830
Retail Transmission Rate – Line and Transformation Connection Service Rate	1.58610	1.58260
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0356	1.0356

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Rate Class

Intermediate With Self Generation

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	220.00	220.40
Smart Meter Funding Adder	2.50	-
Service Charge Rate Rider(s)	51.34	-
Distribution Volumetric Rate	1.00770	1.00951
Distribution Volumetric Rate Rider(s)	(1.15970)	(0.72891)
Low Voltage Volumetric Rate	0.26770	0.26770
Retail Transmission Rate – Network Service Rate	2.18800	2.23500
Retail Transmission Rate – Line and Transformation Connection Service Rate	1.87080	1.86660
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0356	1.0356

Rate Class

Sentinel Lighting

Rate Class

Street Lighting

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

Residential
RPP
Consumption kWh 250
Season Summer

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	17.78	17.78	0.00	0.0%	48.6%
Distribution	15.27	11.94	(3.33)	(21.8)%	32.7%
Retail Transmission	2.51	2.54	0.03	1.2%	6.9%
Delivery	17.78	14.48	(3.30)	(18.6)%	39.6%
Regulatory	1.95	1.95	0.00	0.0%	5.3%
Debt Retirement	1.75	1.75	0.00	0.0%	4.8%
HST	5.10	4.67	(0.43)	(8.4)%	12.8%
OCEB	(4.44)	(4.06)	0.37	(8.4)%	(11.1)%
Total Bill	39.92	36.57	(3.36)	(8.4)%	100.0%

Residential
RPP
Consumption kWh 800
Season Summer

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	59.51	59.51	0.00	0.0%	60.2%
Distribution	22.36	18.21	(4.15)	(18.6)%	18.4%
Retail Transmission	8.03	8.12	0.09	1.1%	8.2%
Delivery	30.39	26.33	(4.06)	(13.4)%	26.7%
Regulatory	5.69	5.69	0.00	0.0%	5.8%
Debt Retirement	5.60	5.60	0.00	0.0%	5.7%
HST	13.15	12.63	(0.52)	(4.0)%	12.8%
OCEB	(11.43)	(10.98)	0.46	(4.0)%	(11.1)%
Total Bill	102.91	98.78	(4.12)	(4.0)%	100.0%

Residential
RPP
Consumption kWh 2,500
Season Summer

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	199.99	199.99	0.00	0.0%	66.1%
Distribution	44.29	37.59	(6.70)	(15.1)%	12.4%
Retail Transmission	25.11	25.37	0.26	1.0%	8.4%
Delivery	69.40	62.96	(6.44)	(9.3)%	20.8%
Regulatory	17.25	17.25	0.00	0.0%	5.7%
Debt Retirement	17.50	17.50	0.00	0.0%	5.8%
HST	39.54	38.70	(0.84)	(2.1)%	12.8%
OCEB	(34.37)	(33.64)	0.73	(2.1)%	(11.1)%
Total Bill	309.31	302.76	(6.55)	(2.1)%	100.0%

Residential
RPP
Consumption kWh 250
Season Winter

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	17.78	17.78	0.00	0.0%	48.6%
Distribution	15.27	11.94	(3.33)	(21.8)%	32.7%
Retail Transmission	2.51	2.54	0.03	1.2%	6.9%
Delivery	17.78	14.48	(3.30)	(18.6)%	39.6%
Regulatory	1.95	1.95	0.00	0.0%	5.3%
Debt Retirement	1.75	1.75	0.00	0.0%	4.8%
HST	5.10	4.67	(0.43)	(8.4)%	12.8%
OCEB	(4.44)	(4.06)	0.37	(8.4)%	(11.1)%
Total Bill	39.92	36.57	(3.36)	(8.4)%	100.0%

Residential
RPP
Consumption kWh 800
Season Winter

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	56.90	56.90	0.00	0.0%	59.2%
Distribution	22.36	18.21	(4.15)	(18.6)%	18.9%
Retail Transmission	8.03	8.12	0.09	1.1%	8.4%
Delivery	30.39	26.33	(4.06)	(13.4)%	27.4%
Regulatory	5.69	5.69	0.00	0.0%	5.9%
Debt Retirement	5.60	5.60	0.00	0.0%	5.8%
HST	12.82	12.29	(0.53)	(4.1)%	12.8%
OCEB	(11.14)	(10.68)	0.46	(4.1)%	(11.1)%
Total Bill	100.26	96.13	(4.13)	(4.1)%	100.0%

Residential
RPP
Consumption kWh 2,500
Season Winter

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	195.59	195.59	0.00	0.0%	65.6%
Distribution	44.29	37.59	(6.70)	(15.1)%	12.6%
Retail Transmission	25.11	25.37	0.26	1.0%	8.5%
Delivery	69.40	62.96	(6.44)	(9.3)%	21.1%
Regulatory	17.25	17.25	0.00	0.0%	5.8%
Debt Retirement	17.50	17.50	0.00	0.0%	5.9%
HST	38.97	38.13	(0.84)	(2.2)%	12.8%
OCEB	(33.87)	(33.14)	0.73	(2.1)%	(11.1)%
Total Bill	304.84	298.29	(6.55)	(2.1)%	100.0%

Residential
RPP
Consumption kWh 250
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	17.78	17.78	0.00	0.0%	48.6%
Distribution	15.27	11.94	(3.33)	(21.8)%	32.7%
Retail Transmission	2.51	2.54	0.03	1.2%	6.9%
Delivery	17.78	14.48	(3.30)	(18.6)%	39.6%
Regulatory	1.95	1.95	0.00	0.0%	5.3%
Debt Retirement	1.75	1.75	0.00	0.0%	4.8%
HST	5.10	4.67	(0.43)	(8.4)%	12.8%
OCEB	(4.44)	(4.06)	0.37	(8.4)%	(11.1)%
Total Bill	39.92	36.57	(3.36)	(8.4)%	100.0%

Residential
RPP
Consumption kWh 800
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	57.31	57.31	0.00	0.0%	59.4%
Distribution	22.36	18.21	(4.15)	(18.6)%	18.9%
Retail Transmission	8.03	8.12	0.09	1.1%	8.4%
Delivery	30.39	26.33	(4.06)	(13.4)%	27.3%
Regulatory	5.69	5.69	0.00	0.0%	5.9%
Debt Retirement	5.60	5.60	0.00	0.0%	5.8%
HST	12.87	12.34	(0.53)	(4.1)%	12.8%
OCEB	(11.19)	(10.73)	0.46	(4.1)%	(11.1)%
Total Bill	100.67	96.54	(4.13)	(4.1)%	100.0%

Residential
RPP
Consumption kWh 2,500
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	197.79	197.79	0.00	0.0%	65.8%
Distribution	44.29	37.59	(6.70)	(15.1)%	12.5%
Retail Transmission	25.11	25.37	0.26	1.0%	8.4%
Delivery	69.40	62.96	(6.44)	(9.3)%	20.9%
Regulatory	17.25	17.25	0.00	0.0%	5.7%
Debt Retirement	17.50	17.50	0.00	0.0%	5.8%
HST	39.25	38.42	(0.83)	(2.1)%	12.8%
OCEB	(34.12)	(33.39)	0.73	(2.1)%	(11.1)%
Total Bill	307.07	300.53	(6.54)	(2.1)%	100.0%

Residential
RPP - TOU
Consumption kWh 250
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	19.10	19.10	0.00	0.0%	50.4%
Distribution	15.27	11.94	(3.33)	(21.8)%	31.5%
Retail Transmission	2.51	2.54	0.03	1.2%	6.7%
Delivery	17.78	14.48	(3.30)	(18.6)%	38.2%
Regulatory	1.95	1.95	0.00	0.0%	5.1%
Debt Retirement	1.75	1.75	0.00	0.0%	4.6%
HST	5.28	4.85	(0.43)	(8.1)%	12.8%
OCEB	(4.59)	(4.21)	0.38	(8.3)%	(11.1)%
Total Bill	41.27	37.92	(3.35)	(8.1)%	100.0%

Residential
RPP - TOU
Consumption kWh 800
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	61.13	61.13	0.00	0.0%	60.9%
Distribution	22.36	18.21	(4.15)	(18.6)%	18.1%
Retail Transmission	8.03	8.12	0.09	1.1%	8.1%
Delivery	30.39	26.33	(4.06)	(13.4)%	26.2%
Regulatory	5.69	5.69	0.00	0.0%	5.7%
Debt Retirement	5.60	5.60	0.00	0.0%	5.6%
HST	13.37	12.84	(0.53)	(4.0)%	12.8%
OCEB	(11.62)	(11.16)	0.46	(4.0)%	(11.1)%
Total Bill	104.56	100.43	(4.13)	(3.9)%	100.0%

Residential
RPP - TOU
Consumption kWh 2,500
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	190.99	190.99	0.00	0.0%	65.0%
Distribution	44.29	37.59	(6.70)	(15.1)%	12.8%
Retail Transmission	25.11	25.37	0.26	1.0%	8.6%
Delivery	69.40	62.96	(6.44)	(9.3)%	21.4%
Regulatory	17.25	17.25	0.00	0.0%	5.9%
Debt Retirement	17.50	17.50	0.00	0.0%	6.0%
HST	38.37	37.53	(0.84)	(2.2)%	12.8%
OCEB	(33.35)	(32.62)	0.73	(2.2)%	(11.1)%
Total Bill	300.16	293.61	(6.55)	(2.2)%	100.0%

Residential
Non - RPP
Consumption kWh 250
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	17.88	17.88	0.00	0.0%	48.1%
Distribution	16.55	12.44	(4.11)	(24.8)%	33.5%
Retail Transmission	2.51	2.54	0.03	1.2%	6.8%
Delivery	19.06	14.98	(4.08)	(21.4)%	40.3%
Regulatory	1.95	1.95	0.00	0.0%	5.2%
Debt Retirement	1.75	1.75	0.00	0.0%	4.7%
HST	5.28	4.75	(0.53)	(10.0)%	12.8%
OCEB	(4.59)	(4.13)	0.46	(10.0)%	(11.1)%
Total Bill	41.33	37.18	(4.15)	(10.0)%	100.0%

Residential
Non - RPP
Consumption kWh 800
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	57.21	57.21	0.00	0.0%	58.3%
Distribution	26.44	19.81	(6.63)	(25.1)%	20.2%
Retail Transmission	8.03	8.12	0.09	1.1%	8.3%
Delivery	34.47	27.93	(6.54)	(19.0)%	28.5%
Regulatory	5.69	5.69	0.00	0.0%	5.8%
Debt Retirement	5.60	5.60	0.00	0.0%	5.7%
HST	13.39	12.54	(0.85)	(6.3)%	12.8%
OCEB	(11.64)	(10.90)	0.74	(6.4)%	(11.1)%
Total Bill	104.72	98.07	(6.65)	(6.4)%	100.0%

Residential
Non - RPP
Consumption kWh 2,500
Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	178.79	178.79	0.00	0.0%	62.5%
Distribution	57.04	42.59	(14.45)	(25.3)%	14.9%
Retail Transmission	25.11	25.37	0.26	1.0%	8.9%
Delivery	82.15	67.96	(14.19)	(17.3)%	23.7%
Regulatory	17.25	17.25	0.00	0.0%	6.0%
Debt Retirement	17.50	17.50	0.00	0.0%	6.1%
HST	38.44	36.60	(1.84)	(4.8)%	12.8%
OCEB	(33.41)	(31.81)	1.60	(4.8)%	(11.1)%
Total Bill	300.72	286.29	(14.43)	(4.8)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

General Service Less Than 50 kW
RPP

Consumption kWh 500

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	35.56	35.56	0.00	0.0%	51.8%
Distribution	26.18	20.14	(6.04)	(23.1)%	29.4%
Retail Transmission	4.55	4.60	0.05	1.1%	6.7%
Delivery	30.73	24.74	(5.99)	(19.5)%	36.1%
Regulatory	3.65	3.65	0.00	0.0%	5.3%
Debt Retirement	3.50	3.50	0.00	0.0%	5.1%
HST	9.55	8.77	(0.78)	(8.2)%	12.8%
OCEB	(8.30)	(7.62)	0.68	(8.2)%	(11.1)%
Total Bill	74.69	68.60	(6.09)	(8.2)%	100.0%

General Service Less Than 50 kW
RPP

Consumption kWh 2,000

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	157.02	157.02	0.00	0.0%	68.6%
Distribution	30.38	21.94	(8.44)	(27.8)%	9.6%
Retail Transmission	18.20	18.41	0.21	1.2%	8.0%
Delivery	48.58	40.35	(8.23)	(16.9)%	17.6%
Regulatory	13.85	13.85	0.00	0.0%	6.0%
Debt Retirement	14.00	14.00	0.00	0.0%	6.1%
HST	30.35	29.28	(1.07)	(3.5)%	12.8%
OCEB	(26.38)	(25.45)	0.93	(3.5)%	(11.1)%
Total Bill	237.42	229.05	(8.37)	(3.5)%	100.0%

General Service Less Than 50 kW
RPP

Consumption kWh 10,000

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	818.09	818.09	0.00	0.0%	74.5%
Distribution	52.78	31.54	(21.24)	(40.2)%	2.9%
Retail Transmission	91.00	92.05	1.05	1.2%	8.4%
Delivery	143.78	123.59	(20.19)	(14.0)%	11.3%
Regulatory	68.24	68.24	0.00	0.0%	6.2%
Debt Retirement	70.00	70.00	0.00	0.0%	6.4%
HST	143.01	140.39	(2.62)	(1.8)%	12.8%
OCEB	(124.31)	(122.03)	2.28	(1.8)%	(11.1)%
Total Bill	1,118.81	1,098.28	(20.53)	(1.8)%	100.0%

General Service Less Than 50 kW
RPP - TOU

Consumption kWh 500

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	38.20	38.20	0.00	0.0%	53.6%
Distribution	26.18	20.14	(6.04)	(23.1)%	28.3%
Retail Transmission	4.55	4.60	0.05	1.1%	6.5%
Delivery	30.73	24.74	(5.99)	(19.5)%	34.7%
Regulatory	3.65	3.65	0.00	0.0%	5.1%
Debt Retirement	3.50	3.50	0.00	0.0%	4.9%
HST	9.89	9.11	(0.78)	(7.9)%	12.8%
OCEB	(8.60)	(7.92)	0.68	(7.9)%	(11.1)%
Total Bill	77.37	71.28	(6.09)	(7.9)%	100.0%

General Service Less Than 50 kW
RPP - TOU

Consumption kWh 2,000

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	152.79	152.79	0.00	0.0%	68.0%
Distribution	30.38	21.94	(8.44)	(27.8)%	9.8%
Retail Transmission	18.20	18.41	0.21	1.2%	8.2%
Delivery	48.58	40.35	(8.23)	(16.9)%	18.0%
Regulatory	13.85	13.85	0.00	0.0%	6.2%
Debt Retirement	14.00	14.00	0.00	0.0%	6.2%
HST	29.80	28.73	(1.07)	(3.6)%	12.8%
OCEB	(25.90)	(24.97)	0.93	(3.6)%	(11.1)%
Total Bill	233.12	224.75	(8.37)	(3.6)%	100.0%

General Service Less Than 50 kW
RPP - TOU

Consumption kWh 10,000

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	764.00	764.00	0.00	0.0%	73.2%
Distribution	52.78	31.54	(21.24)	(40.2)%	3.0%
Retail Transmission	91.00	92.05	1.05	1.2%	8.8%
Delivery	143.78	123.59	(20.19)	(14.0)%	11.8%
Regulatory	68.24	68.24	0.00	0.0%	6.5%
Debt Retirement	70.00	70.00	0.00	0.0%	6.7%
HST	135.98	133.36	(2.62)	(1.9)%	12.8%
OCEB	(118.20)	(115.92)	2.28	(1.9)%	(11.1)%
Total Bill	1,063.80	1,043.27	(20.53)	(1.9)%	100.0%

General Service Less Than 50 kW
Non - RPP

Consumption kWh 500

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	35.76	35.76	0.00	0.0%	51.2%
Distribution	28.73	21.14	(7.59)	(26.4)%	30.3%
Retail Transmission	4.55	4.60	0.05	1.1%	6.6%
Delivery	33.28	25.74	(7.54)	(22.7)%	36.9%
Regulatory	3.65	3.65	0.00	0.0%	5.2%
Debt Retirement	3.50	3.50	0.00	0.0%	5.0%
HST	9.90	8.92	(0.98)	(9.9)%	12.8%
OCEB	(8.61)	(7.76)	0.85	(9.9)%	(11.1)%
Total Bill	77.48	69.81	(7.67)	(9.9)%	100.0%

General Service Less Than 50 kW
Non - RPP

Consumption kWh 2,000

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	143.03	143.03	0.00	0.0%	65.3%
Distribution	40.58	25.94	(14.64)	(36.1)%	11.9%
Retail Transmission	18.20	18.41	0.21	1.2%	8.4%
Delivery	58.78	44.35	(14.43)	(24.5)%	20.3%
Regulatory	13.85	13.85	0.00	0.0%	6.3%
Debt Retirement	14.00	14.00	0.00	0.0%	6.4%
HST	29.86	27.98	(1.88)	(6.3)%	12.8%
OCEB	(25.95)	(24.32)	1.63	(6.3)%	(11.1)%
Total Bill	233.57	218.89	(14.68)	(6.3)%	100.0%

General Service Less Than 50 kW
Non - RPP

Consumption kWh 10,000

Season Average

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	715.15	715.15	0.00	0.0%	70.5%
Distribution	103.78	51.54	(52.24)	(50.3)%	5.1%
Retail Transmission	91.00	92.05	1.05	1.2%	9.1%
Delivery	194.78	143.59	(51.19)	(26.3)%	14.2%
Regulatory	68.24	68.24	0.00	0.0%	6.7%
Debt Retirement	70.00	70.00	0.00	0.0%	6.9%
HST	136.26	129.61	(6.65)	(4.9)%	12.8%
OCEB	(118.44)	(112.66)	5.78	(4.9)%	(11.1)%
Total Bill	1,065.99	1,013.93	(52.06)	(4.9)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

General Service 50 to 1,499 kW

Consumption kWh	39,067	Consumption kW	108
Season	Average		

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	2,793.87	2,793.87	0.00	0.0%	63.5%
Distribution	455.90	175.21	(280.69)	(61.6)%	4.0%
Retail Transmission	382.58	386.74	4.16	1.1%	8.8%
Delivery	838.48	561.95	(276.53)	(33.0)%	12.8%
Regulatory	265.86	265.86	0.00	0.0%	6.0%
Debt Retirement	273.47	273.47	0.00	0.0%	6.2%
HST	542.32	506.37	(35.95)	(6.6)%	11.5%
Total Bill	4,714.00	4,401.52	(312.48)	(6.6)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

Intermediate Users

Consumption kWh	506,914	Consumption kW	1,648
Season	Average		

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	36,251.97	36,251.97	0.00	0.0%	64.0%
Distribution	3,049.77	116.07	(2,933.70)	(96.2)%	0.2%
Retail Transmission	6,688.90	6,759.44	70.54	1.1%	11.9%
Delivery	9,738.67	6,875.51	(2,863.16)	(29.4)%	12.1%
Regulatory	3,446.76	3,446.76	0.00	0.0%	6.1%
Debt Retirement	3,548.40	3,548.40	0.00	0.0%	6.3%
HST	6,888.15	6,515.94	(372.21)	(5.4)%	11.5%
Total Bill	59,873.95	56,638.58	(3,235.37)	(5.4)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

Sentinel Lighting

Consumption kWh	167	Consumption kW	0.5
Season	Average		

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	11.94	11.94	0.00	0.0%	49.5%
Distribution	7.50	5.55	(1.95)	(26.0)%	23.0%
Retail Transmission	1.29	1.31	0.02	1.6%	5.4%
Delivery	8.79	6.86	(1.93)	(22.0)%	28.4%
Regulatory	1.39	1.39	0.00	0.0%	5.8%
Debt Retirement	1.17	1.17	0.00	0.0%	4.8%
HST	3.03	2.78	(0.25)	(8.3)%	11.5%
Total Bill	26.32	24.14	(2.18)	(8.3)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

Street Lighting

Consumption kWh	91	Consumption kW	0.3
Season	Average		

	Current	Proposed	Change $	Change %	% of Total Bill
Energy	6.52	6.52	0.00	0.0%	8.8%
Distribution	5.86	7.55	1.69	28.8%	10.2%
Retail Transmission	0.75	0.76	0.01	1.3%	1.0%
Delivery	6.61	8.31	1.70	25.7%	11.2%
Regulatory	49.97	49.97	0.00	0.0%	67.6%
Debt Retirement	0.64	0.64	0.00	0.0%	0.9%
HST	8.29	8.51	0.22	2.7%	11.5%
Total Bill	72.03	73.95	1.92	2.7%	100.0%

Exhibit 1

Tab 2 of 3

Elements of the IRM

Price Cap Index Adjustment

Hearst Power has entered into the Board's Rate Generator Model an interim price cap adjustment of 0.18% as follows:

Inflation (GDP-IPI) Factor	1.30%
Productivity Factor	(0.72%)
Interim Stretch Factor	(0.40%)
Interim Price Cap Adjustment	**0.18%**

Hearst Power acknowledges that the Inflation (GDP-IPI) Factor and Stretch Factor are subject to update by the Board.

The calculation of the price cap adjustment is shown at Sheet F1.2 GDP-IPI Price Cap Adjustment to Rates, of the 2012 IRM3 Rate Generator. Based on filing instructions, this information is to be updated by the OEB once the final 2011 GDP-IPI data has been published by Statistics Canada expected near the end of February, 2012.

The price cap adjustment will be applied to the Service Charge and Distribution Volumetric Rate. The price cap adjustment will not be applied to the funding adders, rate riders, Low Voltage Service Charges, Retail Transmission Service Rates, the Wholesale Market Service Rate, the Rural Rate Protection Charge, the Standard Supply Service – Administrative Charge, microFIT service charge, Specific Service Charges, Transformation and Primary Metering Allowances, Retail Service Charges or Loss Factors.

Incremental Capital Module

Hearst Power is not applying for an adjustment under the Incremental Capital Module.

Z-Factor Claims

Hearst Power is not applying for an adjustment under the Z-Factor Claims.

Revenue-to-Cost Ratio Adjustments

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target Ratio ranges (the "Target Ranges") for Ontario electricity distributors in its report Application of Cost Allocation for Electricity Distributors, dated November 28, 2007.

The Board's Decision (EB-2009-0266) for Hearst Power's 2010 cost of service rate application prescribed a phase-in period to adjust revenue to cost ratios.

> *The Board finds that the changes proposed for Street Lights shall be phased in over two years. The revenue to cost ratio for Street Lights shall be 50% for 2010 rates, continue at 50% for 2011 rates, and shall be increased to 70% with the 2012 rates.*
>
> *The Board understands that the outcome of the ratios ordered in this and the previous paragraphs may result in a higher or lower ratio for the General Service > 50 kW class than was proposed by the Applicant. For 2010 and 2011, Hearst Power shall demonstrate what ratio is achieved as a net outcome of the re-balancing of the other classes. With 2012 rates, Hearst Power will achieve a revenue to cost ratio of no higher than 180% for the General Service > 50 kW class, and if necessary to attain this ratio it may raise the Residential ratio toward 100%.*

The Draft Rate Order for Hearst Power's 2010 IRM rate application noted acceptance of the following adjustments.

Customer Class Name	Service Revenue Requirement			Previous Revenue to Cost Ratio [9]	Variance	Target Range	
	Rate Application [8]	Cost Allocation [8]	Revenue to Cost Ratio			Floor	Ceiling
Residential	711,732	726,257	0.98	1.00	-0.02	0.85	1.15
GS<50kW	186,494	186,494	1.00	1.15	-0.15	0.80	1.20
GS>50kW	170,521	76,770	2.22	2.89	-0.67	0.80	1.80
Intermediate Users	44,200	55,250	0.80	-0.07	0.87	0.80	1.80
Sentinel Lights	1,098	1,568	0.70	0.59	0.11	0.70	1.20
Street Lights	67,706	135,412	0.50	0.17	0.33	0.70	1.20
TOTAL	1,181,750	1,181,750	1.00	1.00			

Hearst Power proposes in this application to complete the phase-in by applying the proposed adjustments.

Rate Class	2010 Revenue Cost Ratio	2012 Revenue Cost Ratio	Target Range
Residential	98.00%	99.00%	85 - 115
General Service Less Than 50 kW	100.00%	100.00%	80 - 120
General Service 50 to 1,499 kW	222.00%	180.00%	80 - 180
Intermediate	80.00%	80.00%	80 - 180
Sentinel Lighting	70.00%	70.00%	70 - 120
Street Lighting	50.00%	70.00%	70 - 120

Shared Tax Savings

The Board has previously determined that the impact of currently known tax changes should be reflected in rates using a 50/50 sharing as detailed in the Supplemental Report of the Board on 3rd Generation Incentive Regulation, dated September 17, 2008.

In 2012, the overall corporate income tax rate is expected to decrease from the 16.50% in rates to 15.50%. These tax changes create incremental savings of $411.The amount to be retained by Hearst Power is $206.

Hearst Power has used the 2012 IRM 3 Shared Tax Savings Workform to determine the associated proposed rate rider for rates effective May 1, 2012. Hearst Power notes that the calculated rate riders for one or more rate classes results in energy-based kWh rate riders of $(0.0000) when rounded to the fourth decimal place. Hearst Power requests that the entire Board-approved amount for refund be recorded in a USoA account to be determined by the Board for disposition in a future rate setting.

LRAM / SSM

Per Chapter 3 of the Filing Requirements for Transmission and Distribution Applications issued June 22, 2011 the Board states that it has approved LRAM and SSM applications for many distributors since the beginning of the Third Tranche CDM period in 2005. The guidelines also note that it is the Board's understanding that there may still be remaining distributors who have yet to apply to the Board for recovery of LRAM and/or SSM amounts related to CDM activities undertaken between 2005 and 2010.

The Board advised distributors intending to file an LRAM application for CDM Programs funded by the OPA between 2005 and 2010, should do so as part of their 2012 rate application filings. The Board continued to advise that if a distributor does not file for the recovery of LRAM or SSM amounts in its 2012 rate application, it will forego the opportunity to recover LRAM or SSM for this legacy period of CDM activity.

Therefore Hearst Power has included in this application an LRAM claim in the amount of $33,962.36 for the years from January 1, 2006 through April 30, 2012. A third party review by the consulting firm Elenchus is enclosed herein, which supports this claim.

The following table calculates the proposed rate riders to be collected over a one year period ending April 30, 2013:

Customer Class	2010 RRR	Units	LRAM	Proposed Rate Rider
Residential	25,225,707	kWh	$27,218.74	0.0011
General Service Less Than 50 kW	11,529,904	kWh	$1,911.66	0.0002
General Service 50 to 2,999 kW	49,410	kW	$4,831.96	0.0978
Total			**$33,962.36**	

Attachment 1 of 1

Elenchus LRAM Report

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Martin Benum
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September 28, 2011

Steven Blier
General Manager
Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON
P0L 1N0

Re: 2006 to 2012 LRAM Report

Dear Steven:

Elenchus is pleased to attach the 2006 to 2012 LRAM Report For Hearst Power Distribution Company Limited for inclusion in your 2012 IRM3 Rate Application.

Elenchus concludes that Hearst Power Distribution Company Limited's electricity rates should be adjusted to reflect an LRAM claim of $33,962.36

Thank you for allowing Elenchus to be of service. Please contact me should you have any questions about this report.

Yours Truly,

Martin Benum
Senior Consultant

2006 to 2012 LRAM REPORT

Prepared on: September 28, 2011

Prepared for:

Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON
P0L 1N0

This document was prepared for Hearst Power Distribution Company Limited

by Elenchus Research Associates Inc.

For additional information regarding this document please contact:

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September 28, 2011

Exhibit 1

LRAM REPORT

Exhibit 1

Tab 1 of 3

Report

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Output Tables LRAM Calculations	1	2	2		
LRAM Calculations	1	2	2	1	
Residential	1	2	2	1	1
General Service Less Than 50 kW	1	2	2	1	2
General Service Greater than 50 kW	1	2	2	1	3
Elenchus Personnel	1	3			
Elenchus Regulatory Solutions Consultants	1	3	1		

Executive Review

The Ontario Energy Board (OEB) Guidelines for Electricity Distributor Conservation and Demand Management (EB-2008-0037) permit Hearst Power Distribution Company Limited to make application for recovery of lost revenue that results from the successful operation of CDM initiatives within its boundaries. A third-party review of that recovery claim is required and is the subject of this report.

Elenchus Research Associates Inc. (Elenchus) acted as the third party reviewer. Personnel details can be found in Tab 3 Schedule 1.

The third party review included Hearst Power Distribution Company Limited's CDM activities from 2006 through 2010, consisting of programs initiated by the Ontario Power Authority (OPA) only. There is no claim for activity related to 2005 to 2009 Third Tranche of Market Adjustment Revenue Requirement (MARR) funding or post-Third Tranche funding.

The LRAM claim, correspondingly, includes energy and demand savings that result from those 2006 – 2010 programs, some of which continue through to the end of the filing period, which is April 30, 2012.

There has been no previous LRAM application by Hearst Power Distribution Company Limited

Total net energy savings for which LRAM is being claimed amount to over 2.7 GWh in the residential rate class and 0.2 GWh in the GS < 50 kW rate class. Summer peak demand savings in the GS 50 to 2,999 kW rate class totaled approximately 1.6 MW.

Elenchus concludes that Hearst Power Distribution Company Limited's electricity rates should be adjusted to reflect an LRAM claim of $33,962.36

Introduction

The Lost Revenue Adjustment Mechanism (LRAM) is designed to ensure that Local Distribution Companies (LDC) "remain whole" despite the lower consumption levels that are, by design, the result of successful conservation and demand management initiatives. There should not be a disincentive for LDC's to encourage energy efficiency and energy conservation efforts. Therefore, an LDC is compensated for these lost revenues.

This claim for lost revenue (LRAM) respects the process outlined in the March 28, 2008 OEB Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037) ("CDM Guidelines") for rate-based applications to recover revenues lost to customer energy conservation.

The LRAM calculation is based on the sum of the electricity savings over the period of the claim, which are then valued at the appropriate distribution rate depending on the timing (year) of the savings and to which rate class they belonged.

The savings themselves are the product of an energy program evaluation process, often referred to as Evaluation, Measurement and Verification (EM&V). Fortunately, in the case of this claim, all savings estimates are for OPA programs and are provided by the OPA.

These savings estimates include persistence—the installation of energy conservation measures whose savings that last past the initial year that they are installed. A four-year program that installed 10 widgets per year with a savings of 1,000 kWh each would result in the following savings profile if the widgets lasted 4 or more years (which is common):

Example Savings Profile Showing Effect of Persistence

Year	In-Year Savings (kWh)	Cumulative Savings (kWh)
1	10,000	10,000
2	20,000	30,000
3	30,000	60,000
4	40,000	100,000

The OPA designed and delivered some initial programs in 2006 and 2007, but then set-out to build a portfolio of programs to address a broad cross-section of customer types that

would run from 2008 to 2010. This latter time frame corresponds to an Ontario goal of shaving 1,350 MW from the electricity system in the province. Savings from these programs typically follow a pattern similar to the one illustrated in the table above. Energy program evaluations determine the energy and demand savings estimates to a reasonable degree of accuracy and also determine the persistence including patterns, or effective useful life (EUL) of new measures being installed and the remaining useful life (RUL) of measures being replaced. It is assumed that the tables provided to each LDC, Hearst Power Distribution Company Limited, by the OPA contain accurate interpretations and transcriptions of the results from those evaluations (available on the OPA Website).

There are "gross" savings and "net" savings for energy efficiency programs. OPA documentation details the differences between these two, and both are provided to LDC's by the OPA, but for the purposes of this LRAM claim only "net" savings are utilized. Net savings are determined to be those savings that would not have occurred unless the energy efficiency program was running. They are not natural conservation or savings that someone could claim would have occurred anyway. They do not include savings from "free riders."

Some energy efficiency programs are operated at a province-wide scale. These include some behavioural-based programs and some residential/consumer-orientated initiatives like discount coupons. In certain of these cases, savings are apportioned to LDC's by the OPA rather than an attempt made to track individual transactions (which is sometimes impossible).

The savings claimed by Hearst Power Distribution Company Limited are therefore the net energy and demand savings that can be attributed to the programs and initiatives that operated in Hearst Power Distribution Company Limited territory during the 2006-2010 period and as apportioned to Hearst Power Distribution Company Limited by the OPA according to its established formulae.

Assumptions

This report for Hearst Power Distribution Company Limited was created with the following assumptions that are often peculiar to the 2006-2010 period:

- "Consumer" kWh classified as the Residential rate class
- "Business" and/or "Industrial" kWh classified as General Service <50 kW because larger industrial projects were not yet part of the program mix by the end of 2010
- "Consumer" kW savings were omitted because they are immaterial
- Designated "business and industrial" kW classified as General Service>50 kW because it consists primarily of Demand Response initiatives utilized by large industrial participants

LRAM Recommendations

During the period of the LRAM claim, total net energy savings for which LRAM is being claimed amount to over 2.7 GWh in the residential rate class and 0.2 GWh in the GS < 50 kW rate class. Summer peak demand savings in the GS 50 to 2,999 kW rate class totaled approximately 1.6 MW.

Elenchus has concluded that Renfrew Hydro Inc. can justifiably claim $33,962.36 in LRAM, allocated by rate class as shown in the table below.

Customer Class	Savings	LRAM
Residential	2.7 GWh	$27,218.74
General Service Less Than 50 kW	0.2 GWH	$1,911.66
General Service 50 to 2,999 kW	1.6 MW	$4,831.96
Total		**$33,962.36**

Works Sited and Referenced

1. OPA Estimated allocation of 2006-2009 provincial conservation results to Local Distribution Company service territories - update to December 2010 report January 24, 2011
    - 2006-2009 Final OPA CDM Results-Update Hearst Power Distribution Company Limited.xls
2. OPA Final 2010 CDM Summary Results September 16, 2011
    - 2010 Final CDM Results Summary_Hearst Power Distribution Company Limited.xlsx
3. OEB Conservation and Demand Management Code for Electricity Distributors Issued: September 16, 2010

Exhibit 1

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Tables

Input Tables OPA Results

1. Table One OPA Results Net kWh
2. Table Two OPA Results Net kWh Adjusted to April 30, 2012
3. Table Three OPA Results Net kW
4. Table Four OPA Results Net kW Adjusted to April 30, 2012

Table One - OPA Results Net kWh

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012		Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-		22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	9,141		63,989
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	30,582		1,040,521
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	14,325		89,516
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	86,002		532,320
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	5,724		127,734
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	8,193		49,159
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	7,080		35,402
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	15,392		76,960
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	66,028		377,542
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	201		1,006
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	909		3,637
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	19,394		77,782
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	32,437		131,157
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	5,678		22,710
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-		4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-		47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-		898
102	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,852	11,852	11,852		35,557
103	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	2,976	2,976	2,976		8,927
107	High Performance New Construction*	Business	2010	Final	-	-	-	-	18,139	18,139	18,139		54,418
109	Multifamily Energy Efficiency Rebates	Business	2010	Final	-	-	-	-	1,868	1,868	1,868		5,603
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,040	-	-		3,040
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-		85,726
					250,038	453,132	478,241	581,262	443,980	355,215	335,922		2,897,789

Table Two - OPA Results Net kWh Adjusted to April 30, 2012

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012		Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-		22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	3,047		63,989
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	10,194		1,040,521
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	4,775		89,516
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	28,667		532,320
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	1,908		127,734
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	2,731		49,159
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	2,360		35,402
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	5,131		76,960
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	22,009		377,542
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	67		1,006
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	303		3,637
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	6,465		77,782
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	10,812		131,157
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	1,893		22,710
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-		4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-		47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-		898
102	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,852	11,852	3,951		35,557
103	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	2,976	2,976	992		8,927
107	High Performance New Construction*	Business	2010	Final	-	-	-	-	18,139	18,139	6,046		54,418
109	Multifamily Energy Efficiency Rebates	Business	2010	Final	-	-	-	-	1,868	1,868	623		5,603
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,040	-	-		3,040
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-		85,726
					250,038	453,132	478,241	581,262	443,980	355,215	111,974		2,897,789

Table Three - OPA Results Net kW

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigera	Consumer	2006	Final	1	1	1	1	1	1	-	5
2	Cool & Hot Savings F	Consumer	2006	Final	8	8	8	8	8	8	8	59
3	Every Kilowatt Coun	Consumer	2006	Final	3	3	3	3	3	3	3	20
4	Demand Response 1	Business, Industrial	2006	Final	297	-	-	-	-	-	-	297
5	Loblaw & York Regic	Business, Industrial	2006	Final	15	-	-	-	-	-	-	15
7	Cool & Hot Savings F	Consumer	2007	Final	-	10	10	10	10	10	9	59
8	Every Kilowatt Coun	Consumer	2007	Final	-	3	3	3	3	3	3	19
10	Summer Savings	Consumer	2007	Final	-	50	15	7	7	7	7	94
13	Social Housing Pilot	Consumer Low-Inco	2007	Final	-	1	1	1	1	1	1	6
17	Demand Response 1	Business, Industrial	2007	Final	-	316	-	-	-	-	-	316
18	Loblaw & York Regic	Business, Industrial	2007	Final	-	26	-	-	-	-	-	26
20	Great Refrigerator R	Consumer	2008	Final	-	-	1	1	1	1	1	4
21	Cool Savings Rebate	Consumer	2008	Final	-	-	10	10	10	10	10	49
22	Every Kilowatt Coun	Consumer	2008	Final	-	-	4	4	4	4	4	20
27	High Performance N	Business	2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1	Business, Industrial	2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3	Business, Industrial	2008	Final	-	-	60	-	-	-	-	60
31	Loblaw & York Regic	Business, Industrial	2008	Final	-	-	20	-	-	-	-	20
35	Great Refrigerator R	Consumer	2009	Final	-	-	-	0	0	0	0	1
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	13	13	13	13	51
37	Every Kilowatt Coun	Consumer	2009	Final	-	-	-	3	3	3	3	14
41	High Performance N	Business	2009	Final	-	-	-	2	2	2	2	10
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	109	-	-	-	109
47	Loblaw & York Regic	Business, Industrial	2009	Final	-	-	-	19	-	-	-	19
107	High Performance N	Business	2010	Final	-	-	-	-	8	8	8	24
109	Multifamily Energy E	Business	2010	Final	-	-	-	-	0	0	0	0
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	155	-	-	155
113	Loblaw & York Regic	Business, Industrial	2010	Final	-	-	-	-	18	-	-	18
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	73	-	-	73
					324	419	444	384	322	75	73	2,040

Table Four - OPA Results Net kW Adjusted to April 30, 2012

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigera	Consumer	2006	Final	1	1	1	1	1	1	-	5
2	Cool & Hot Savings F	Consumer	2006	Final	8	8	8	8	8	8	3	59
3	Every Kilowatt Coun	Consumer	2006	Final	3	3	3	3	3	3	1	20
4	Demand Response 1	Business, Industrial	2006	Final	297	-	-	-	-	-	-	297
5	Loblaw & York Regic	Business, Industrial	2006	Final	15	-	-	-	-	-	-	15
7	Cool & Hot Savings F	Consumer	2007	Final	-	10	10	10	10	10	3	59
8	Every Kilowatt Coun	Consumer	2007	Final	-	3	3	3	3	3	1	19
10	Summer Savings	Consumer	2007	Final	-	50	15	7	7	7	2	94
13	Social Housing Pilot	Consumer Low-Inco	2007	Final	-	1	1	1	1	1	0	6
17	Demand Response 1	Business, Industrial	2007	Final	-	316	-	-	-	-	-	316
18	Loblaw & York Regic	Business, Industrial	2007	Final	-	26	-	-	-	-	-	26
20	Great Refrigerator R	Consumer	2008	Final	-	-	1	1	1	1	0	4
21	Cool Savings Rebate	Consumer	2008	Final	-	-	10	10	10	10	3	49
22	Every Kilowatt Coun	Consumer	2008	Final	-	-	4	4	4	4	1	20
27	High Performance N	Business	2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1	Business, Industrial	2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3	Business, Industrial	2008	Final	-	-	60	-	-	-	-	60
31	Loblaw & York Regic	Business, Industrial	2008	Final	-	-	20	-	-	-	-	20
35	Great Refrigerator R	Consumer	2009	Final	-	-	-	0	0	0	0	1
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	13	13	13	4	51
37	Every Kilowatt Coun	Consumer	2009	Final	-	-	-	3	3	3	1	14
41	High Performance N	Business	2009	Final	-	-	-	2	2	2	1	10
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	109	-	-	-	109
47	Loblaw & York Regic	Business, Industrial	2009	Final	-	-	-	19	-	-	-	19
107	High Performance N	Business	2010	Final	-	-	-	-	8	8	3	24
109	Multifamily Energy E	Business	2010	Final	-	-	-	-	0	0	0	0
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	155	-	-	155
113	Loblaw & York Regic	Business, Industrial	2010	Final	-	-	-	-	18	-	-	18
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	73	-	-	73
					324	419	444	384	322	75	24	2,040

Output Tables LRAM Calculations

1. Table Five Residential LRAM Calculation
2. Table Six GS Less Than 50 kW LRAM Calculation
3. Table Seven GS 50 to 4,999 kW LRAM Calculation

Table Five - Residential LRAM Calculation

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-	22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	3,047	63,989
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	10,194	1,040,521
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	4,775	89,516
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	28,667	532,320
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	1,908	127,734
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	2,731	49,159
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	2,360	35,402
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	5,131	76,960
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	22,009	377,542
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	303	3,637
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	6,465	77,782
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	10,812	131,157
102	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,852	11,852	3,951	35,557
103	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	2,976	2,976	992	8,927
					250,038	453,132	478,040	522,517	329,329	329,329	103,345	2,672,420
	Residential Distribution Volumetric Rate	$/kWh			0.0095	0.0101	0.0101	0.0102	0.0102	0.0156	0.0156	
	LRAM				$ 2,375.36	$ 4,576.63	$ 4,828.20	$ 5,329.68	$ 3,359.15	$ 5,137.53	$ 1,612.19	$ 27,218.74

Table Six - GS Less Than 50 kW LRAM Calculation

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	67	1,006
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	1,893	22,710
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-	4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-	47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-	898
107	High Performance New Construction*	Business	2010	Final	-	-	-	-	18,139	18,139	6,046	54,418
109	Multifamily Energy Efficiency Rebates	Business	2010	Final	-	-	-	-	1,868	1,868	623	5,603
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,040	-	-	3,040
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-	85,726
					-	-	201	58,744	114,651	25,886	8,629	225,369
	GSLT50 Distribution Volumetric Rate	$/kWh			0.0094	0.0096	0.0096	0.0097	0.0097	0.0066	0.0066	
	LRAM				$ -	$ -	$ 1.93	$ 569.82	$ 1,112.12	$ 170.85	$ 56.95	$ 1,911.66

Table Seven - GS 50 to 2,999 kW LRAM Calculation

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
4	Demand Response 1	Business, Industrial	2006	Final	297	-	-	-	-	-	-	297
5	Loblaw & York Region Demand Response	Business, Industrial	2006	Final	15	-	-	-	-	-	-	15
17	Demand Response 1	Business, Industrial	2007	Final	-	316	-	-	-	-	-	316
18	Loblaw & York Region Demand Response	Business, Industrial	2007	Final	-	26	-	-	-	-	-	26
27	High Performance New Construction	Business	2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1	Business, Industrial	2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3	Business, Industrial	2008	Final	-	-	60	-	-	-	-	60
31	Loblaw & York Region Demand Response	Business, Industrial	2008	Final	-	-	20	-	-	-	-	20
41	High Performance New Construction	Business	2009	Final	-	-	-	2	2	2	1	10
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	109	-	-	-	109
47	Loblaw & York Region Demand Response	Business, Industrial	2009	Final	-	-	-	19	-	-	-	19
107	High Performance New Construction*	Business	2010	Final	-	-	-	-	8	8	3	24
109	Multifamily Energy Efficiency Rebates	Business	2010	Final	-	-	-	-	0	0	0	0
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	155	-	-	155
113	Loblaw & York Region Demand Response*	Business, Industrial	2010	Final	-	-	-	-	18	-	-	18
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	73	-	-	73
					311	342	388	319	257	11	4	1,640
	GSGT50 Distribution Volumetric Rate	$/kWh			2.8938	2.9601	2.969	2.9926	2.9926	2.7945	2.7945	
	LRAM				$ 901.24	$ 1,011.87	$ 1,152.85	$ 955.59	$ 770.01	$ 30.30	$ 10.10	$ 4,831.96

Exhibit 1

Tab 3 of 3

Elenchus Personnel

Elenchus Regulatory Solutions Consultants

John Todd, President (Lead Consultant)

John Todd is President of Elenchus Research Associates Inc. He has specialized in the theory and practice of regulation and de-regulation for over 25 years and has actively participated in regulatory hearings and reform initiatives in several sectors of the Canadian economy, including natural gas, electricity and telecommunications.

John has served as an expert advisor or witness in 200 proceedings before the energy Boards in Ontario, Manitoba, British Columbia, Quebec, and Newfoundland and other tribunals including the Canadian Radio-television and Telecommunications Commission (CRTC) and the Ontario Securities Commission. His clients have included regulated utilities, regulatory agencies, generators and producers, and a variety of customer groups.

Martin Benum, Senior Consultant (Rate Applications)

Martin has over twenty years progressive experience in the Ontario electrical industry with regulatory, LDC and Retail electricity exposure. Prior to joining Elenchus, he was an advisor in electricity rate applications with the Ontario Energy Board. He has a strong working knowledge and application experience with OEB handbook rules, regulations, and guidelines.

Marc Collins – Director, Elenchus Energy Conservation

Energy Program Evaluation and Conservation and Demand-Side Management (CDM) professional with a very diverse career history. Founding Director of the Evaluation, Measurement and Verification (EM&V) department at the Ontario Power Authority in 2007. Marc led that function for the OPA from inception to maturity, leaving sophisticated evaluation protocols (new for 2011-14), world-class measures and assumptions lists and a portfolio of high-quality evaluations to show for the effort.

Specialties:

Energy program evaluation (EM&V)

- Planning and management

- Protocols and standards
- Impact evaluation
- Process evaluation
- Market effects evaluation
- Cost effectiveness testing

Demand-side management programs

Demand response programs

Use of advanced IT for energy-related applications

Regulatory aspects of EM&V and DSM tracking and reporting for utilities and central agencies

Potential studies

Retail Transmission Service Rates

Electricity distributors are charged the Ontario Uniform Transmission Rates ("UTRs") at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates ("RTSRs"). The UTRs are charges for network, line connection and transformation connection services.

The Board expects distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for new UTR levels and revenues generated from existing RTSRs. This approach is expected to minimize variances in USoA Account 1584 and 1586. A filing module was prepared by Board staff and provided to distributors to assist in calculating the distributor's and rate class specific RTSRs. The filing module reflects the most recent Uniform Transmission Rates approved by the Board (EB-2010-0002), issued on January 18, 2011 and effective January 1, 2011. Once the January 1, 2012 UTR adjustments are determined, the Board is expected to adjust the distributor's 2012 IRM rate application model to incorporate this change, if applicable. This approach reflects the revised Guideline for Electricity Distribution Retail Transmission Service Rates, dated June 22, 2011.

Hearst Power has used the 2012 RSTR Workform to adjust rates for the impact of Retail Transmission Service cost changes.

The following rates have been input into the 2012 Rate Generator.

Rate Class	Unit	Proposed RTSR Network		Proposed RTSR Connection	
Residential	kWh	$	0.0053	$	0.0044
General Service Less Than 50 kW	kWh	$	0.0048	$	0.0040
General Service 50 to 1,499 kW	kW	$	1.9983	$	1.5826
Intermediate With Self Generation	kW	$	2.2350	$	1.8666
Sentinel Lighting	kW	$	1.5147	$	1.2376
Street Lighting	kW	$	1.5070	$	1.2124

As calculated in the RTSR Adjustment Workform model, Hearst Power has adjusted its RTSRs based on a comparison of historical transmission costs for new UTR levels and revenues generated from existing RTSRs. The RTSR Adjustment Workform model calculates the expected billing for 2011 by taking the forecasted 2011 UTR applied against historical (2010) transmission units. Based on the calculations Hearst Power proposes an increase of 2.1% in the Network Transmission Rates and an increase of 0.0% in the Line and Transformation Connection Service Rates. The adjustments to current RTSRs have been incorporated into the 2012 IRM3 Rate Generator Model.

The forecasted 2012 RTSRs are calculated using the current 2011 UTRs. Hearst Power understands that the Board will adjust the RTSRs in each distributor's rate application model after the actual UTRs are determined.

Hearst Power acknowledges that the Uniform Transmission Rates ("UTR") percentage in the RTSR Workform will be updated by the Board when the 2012 UTR adjustment is determined.

Smart Meter Funding Adder

In 2008 the Board issued Guidelines (G-2008-0002) ("Smart Meter Guideline") pertaining to smart meter funding and cost recovery. These guidelines provisioned for a smart meter funding adder8, as well as two variance accounts for distributors to record smart meter expenditures and revenues collected through the smart meter funding adder.

The smart meter funding adder was designed as a tool to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs are approved by the Board. As of May 2011, 4.6 million or 98% of meters have been installed province-wide. With deployment nearing completion, the Board has stated in previous decisions that it expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. The Board also approved a sunset date of April 30, 2012 for the smart meter funding adder for most distributors in their 2011 rate application.

Smart meter capital and operating costs will affect a distributor's rate base and revenue requirement. Under the existing IRM framework, there is no re-evaluation of rate base or of the revenue requirement for the purpose of setting distribution rates. A distributor seeking a prudence review of smart meter costs during the IRM plan term shall file a separate smart meter cost recovery application. A distributor filing a stand-alone smart meter cost recovery application must comply with the Smart Meter Guideline or any further updates to it.

Hearst Power's Smart Meter Funding Adder of $2.50 expires as of April 30, 2012. Hearst Power completed its Smart Meter installations and plans to file an application with the Board for final disposition in 2012.

Accordingly, no Smart Meter Rate riders or adders are proposed as part of the current IRM application.

Renewable Generation Connection/Smart Grid Funding Adder

The Filing Requirements: Distribution System Plans - Filing under Deemed Conditions of Licence (EB-2009-0397) issued on March 25, 2010 recognized that distributors may need additional funding for expenditures proposed in a GEA Plan between cost-of-service applications. For 2012 IRM applications, distributors may request the following:

- Renewable Generation Connection Funding Adder; and
- Smart Grid Funding Adder.

When a distributor seeks a funding adder, the distributor is expected to provide sufficient information to allow the Board to assess the need for the mechanism and the nature and quantum of the costs to be collected from ratepayers and the basis for calculating the funding adder. The costs recovered through the funding adder will be subject to a prudence review in the first cost of service application following the implementation of the funding

The Renewable Generation Connection and /or Smart Grid expenditures currently planned by Hearst Power do not meet the materiality thresholds established by the Board in EB-2009-0397. Accordingly, Hearst Power has no such rate adders proposed as part of the current IRM application. Hearst Power intends to file for this adder in future rate applications at such time as the materiality thresholds are met.

Exhibit 1

Tab 3 of 3

Deferral and Variance Disposition

EDDVAR Group 1 Accounts

The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report (the "EDDVAR Report") provides that during the IRM plan term, the distributor's Group 1 audited account balances will be reviewed and disposed if the preset disposition threshold of $0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Group 1 consists of the following USoA accounts:

- 1550 Low Voltage Account;
- 1580 RSVA Wholesale Market Service Charge Account;
- 1584 RSVA Retail Transmission Network Charges Account;
- 1586 RSVA Retail Transmission Connection Charge Account;
- 1588 RSVA Power (Including Global Adj. Sub a/c) Account;
- 1590 Recovery of Regulatory Asset Balances Account; and
- 1595 Disposition and Recovery of Regulatory Balances Account.

Sheet "10. Billing Det. for Def_Var" of the 2012 IRM Rate Generator calculates the threshold value for Hearst Power's proposed disposition. The threshold value calculated for Hearst Power is a credit of $0.008 per kWh which is in excess of the preset disposition threshold. Hearst Power hereby proposes to dispose of its Group One accounts principal balances as of December 31, 2010 with interest to the date of April 30, 2012 disposition as detailed below:

Request for Disposition of Group One Deferral Variance Accounts as of April 30, 2012

	Principal	Interest	Total
1580 - RSVA - Wholesale Market Service Charge	$(160,762.76)	$(10,432.95)	$(171,195.71)
1584 - RSVA - Retail Transmission Network Charge	$19,024.28	$(1,236.75)	$17,787.53
1586 - RSVA - Retail Transmission Connection Charge	$(156,187.46)	$(11,684.01)	$(167,871.47)
1588 - RSVA - Power (excluding Global Adjustment)	$(279,766.85)	$(89,959.66)	$(369,726.51)
1590 - Recovery of Regulatory Asset Balances	$(13,531.09)	$9,317.73	$(4,213.36)
Total	$(591,223.88)	$(103,995.64)	$(695,219.52)

1588 - RSVA - Power - Sub-Account - Global Adjustment	$70,678.20	$4,353.49	$75,031.69

Hearst Power has included these values in sheet "9. 2012 Cont. Sched. Def_Var" of the 2012 Rate Generator. These values have been combined with the disposition of USoA accounts 1521 and 1562, discussed in subsequent sections Schedule 2 and Schedule 3.

Special Purpose Charge

The Board authorized Account 1521, Special Purpose Charge Assessment Variance Account in accordance with Section 8 of Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs) (the "SPC Regulation"). Accordingly, any difference between (a) the amount remitted to the Minister of Finance for the distributor's SPC assessment; and (b) the amounts recovered from customers on account of the assessment is to be recorded in "Sub-account 2010 SPC Assessment Variance" of Account 1521.

In accordance with Section 8 of the SPC Regulation, the Board advised distributors that they are required to apply no later than April 15, 2012 for an order authorizing the disposition of any residual balance in sub-account 2010 SPC Assessment Variance.

The Board stated it expects that requests for disposition of the balance in "Sub-account 2010 SPC Assessment Variance" and associated carrying charges to be addressed as part of the proceedings to set rates for the 2012 rate year.

Hearst Power notes that for Special Purpose Charge, the 2012 IRM 3 Rate Generator does not permit input of amounts collected beyond December 31, 2010. However, consistent with its rate year structure, Hearst Power continued to collect the Special Purpose Charge through rates from January 1, 2011 until April 30, 2011 when this rider was discontinued. The total amount collected in 2011 was $23,027. In order to reflect the amount billed in 2011 and appropriately reduce the future amount to be recovered, Hearst Power has adjusted for the $23,027 in 2011 billings in the "Other Adjustments during Q4

2010" column of the 2010 deferral reconciliation in the 2012 IRM 3 Rate Generator. Accordingly, the amount to be disposed does not reconcile to the 2010 RRR filing by a difference of $17,482.81.

Therefore Hearst Power proposes the following disposition for Account 1521, Special Purpose Charge Assessment Variance Account is:

Request For Disposition of Account 1521, Special Purpose Charge Assessment Variance Account

Principal as of April 30, 2012	**$(5,675.44)**
Interest as of April 30, 2012	$295.26
Amount requested for Disposition of Account 1521, Special Purpose Charge Assessment Variance Account	$(5,380.18)

Disposition of Account 1562

The Board issued a decision and order in the combined proceeding on Account 1562 deferred PILs, EB-2008-0381, on June 24, 2011. In this decision and order the Board directed distributors subject to section 93 of the Electricity Act, 1998 to apply for final disposition of the balance in account 1562 in its next general rates application (either IRM or cost of service).

Accordingly, Hearst Power has included the required evidence for the review and disposition of account 1562 in its IRM application. Hearst Power confirms the evidence filed is consistent with the level of detail found in the combined proceeding, including the findings in the Board's EB-2008-0381 decision and the settled issues found in the settlement agreement.

Hearst Power has provided the rate application filing models in electronic (Excel) format utilizing the Board's decisions for the 2001 to 2005 for rates and the PILs proxies, which includes revised SIMPIL models for the taxation years 2001-2005. Please refer to Exhibit 3, Tab 1 Attachments 1 to 4.

Hearst Power has provided detailed documentation supporting the rate application. Where possible, Hearst Power has provided this information electronically. However, in some cases the historical records available internally to Hearst Power may exist only in hardcopy. The following supporting information is provided herein:

- PDF's of the associated final rate applications (see Exhibit 3, Tab 2 Appendix 3 numbers 1 to 3)
- PDF's of the associated PILs proxies and SIMPIL models (see Exhibit 3, Tab 2 Appendix 2 numbers 1 to 2)
- PDF's of the signed Board decisions for each year that an application was filed requesting PILs to be included in rates (see Exhibit 3, Tab 2 Appendix 1 numbers 1 to 3)

- PDF's of the final tax returns, notices of assessment, reassessment for each tax period from 2001-2005 (see Exhibit 3, Tab 2 Appendix 4 numbers 1 to 10)

- an electronic (Excel) copy of the PILs 1562 continuity schedule for the period from October 1, 2001 to April 30, 2006 (see Exhibit 3, Tab 1 Attachment 2 numbers 1) that shows:

    - The PILs proxy amounts allowed for the number of months in each tax period.

    - The amounts billed to customers during the same tax periods. Collections from customers have been defined as the amounts billed to customers. Hearst Power confirms that amounts which at the time would have been included in unbilled revenue accruals have now been included in collections.

    - The deferral account and true-up variances that are calculated in the SIMPIL workbook TAXCALC sheet for each tax period.

    - Hearst Power confirms that it was not subject to the Large Corporation Tax (LCT) and therefore not included in 2005 rates and no portion relates to the period January 1, 2006 to April 30, 2006. LCT was repealed with effect from January 1, 2006.

    - Interest carrying charges for each tax period. Hearst Power has provided the interest rate chosen for each tax period as shown on Exhibit 3, Tab 1 Attachment 2 numbers 1.

Hearst Power confirms the following:

- Hearst Power's revised PILs proxy model contains details of final tax data and has been balanced to the source documents for each tax period.

- Items that should not true up to ratepayers under the methodology have been isolated onto sheet "TAXCALC3" from those items that are included in the true-up on sheet "TAXCALC" or "TAXCALC2" for each tax period.

- The income tax rate chosen for each tax year are supported by reference to tax law and Board precedents.

- The capital tax rates and thresholds or exemptions chosen are supported by reference to tax law and Board precedents.

- Hearst Power used data from its final tax returns for the tax years 2001 through 2005 in calculating the final balance in PILs account 1562, including re-assessments as applicable.

- Hearst Power excluded regulatory assets and liabilities, when they were created or collected, in the calculation of the final balance in its PILs account 1562 regardless of the actual tax treatment accorded those amounts.

- Hearst Power was not subject to Ontario Capital Tax (OCT). Hearst Power is therefore not required to exclude variances associated with in the income tax true-up reconciliation. Hearst Power understands that under the SIMPIL methodology, OCT does not true up for income tax purposes, only for OCT purposes in the appropriate section of SIMPIL sheet TAXCALC.

- Hearst Power confirms the proposed rate riders to dispose of the account balances are appropriate to the best of its knowledge.

Hearst Power further notes the following:

Model Revisions

Hearst Power believes that is has correctly accounted for the declining income tax rates and other changes in tax rules and legislation during the period 2001- 2005 in its revised SIMPIL model reconciliations. Hearst Power believes that it has addressed the errors in the 2001 and 2003 SIMPIL models that were released for reporting to the Board by utilizing the revised model used in the combined proceeding as recommended by the Board.

Request for Disposition of 1562 Balance

	Principal as of April 30, 2012	1,495
	Interest as of April 30, 2012	561
1	Amount Requested for Disposition of 1562 Balance	2,056

Deferral and Variance Account Disposition

Hearst Power has determined that the total value for disposition of its Group One Deferral Variance Account Balances as of December 31, 2010 including Account 1521, Special Purpose Charge Assessment Variance Account and Account 1562 deferred PILs plus interest to April 30, 2012 is a credit balance of $698,544.

Hearst Power is requesting that this amount be disposed of over a period of four years to allow smoothing of rate impacts by avoiding a large fluctuation in rates when this rate rider is terminated. Therefore Hearst Power is requesting that the rate rider be effective until April 30, 2016.

Hearst Power hereby request the following rate riders for Deferral Variance Account Disposition

Rate Rider for Deferral/Variance Account Disposition (2012)

Effective Until April 30, 2016

Rate Class	Group 1	1521	1562	Total	Rate Rider
Residential	$(237,480)	$(1,838)	$1,183	$(238,134)	$(0.0024)
General Service Less Than 50 kW	$(108,545)	$(840)	$311	$(109,074)	$(0.0024)
General Service 50 to 1,499 kW	$(167,710)	$(1,298)	$320	$(168,687)	$(0.8535)
Intermediate With Self Generation	$(171,799)	$(1,330)	$122	$(173,006)	$(0.7289)
Sentinel Lighting	$(189)	$(1)	$2	$(188)	$(0.7289)
Street Lighting	$(9,498)	$(73)	$118	$(9,453)	$(0.7643)
Total	$(695,220)	$(5,380)	$2,056	$(698,544)	

Hearst Power has determined that the total value for disposition of its 1588 Global Adjustment Sub-Account applicable to Non-RPP customers as of December 31, 2010 plus interest to April 30, 2012 is a debit balance of $75,032.

Hearst Power is requesting that this amount be disposed of over a period of one year. Therefore Hearst Power is requesting that the rate rider be effective until April 30, 2013.

Hearst Power is requesting that this amount be recovered on the basis of billed kWh.

Hearst Power hereby requests the following Rate Rider for Global Adjustment Sub-Account Disposition - Applicable only for Non-RPP Customers:

Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers

Effective Until April 30, 2013

Rate Class	Non-RPP kWh	1588	Rate Rider (per kWh)
Residential	1,577,596	$3,086	$0.0020
General Service Less Than 50 kW	1,116,135	$2,183	$0.0020
General Service 50 to 1,499 kW	16,326,499	$31,936	$0.0020
Intermediate With Self Generation	18,248,907	$35,697	$0.0020
Sentinel Lighting	0	$0	$0.0000
Street Lighting	1,088,852	$2,130	$0.0020
Total	38,357,989	$75,032	

Exhibit 2

RATE APPLICATION MODELS

Exhibit 2

Tab 1 of 1

Rate Application Models

Appendix 1 of 5

Rate Generator

V1.3

Ontario Energy Board

3RD Generation Incentive Regulation Model

Choose Your Utility:

Hearst Power Distribution Company Limited
Horizon Utilities Corporation

Application Type: IRM3
OEB Application #: EB-2011-0171
LDC Licence #: ED-2002-0533

Application Contact Information

Name:	Steven Blier
Title:	General Manager
Phone Number:	(705) 372-2815
Email Address:	sblier@hearstpower.com
We are applying for rates effective:	May 1, 2012
Please indicate the version of Microsoft Excel that you are currently using:	Excel 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your IRM application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

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2. Table of Contents
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4. Current Monthly Fixed Charges
5. Current Distribution Volumetric Rates
6. Current Volumetric Rate Riders
7. Current RTSR-Network Rates
8. Current RTSR-Connection Rates
9. 2012 Continuity Schedule for Deferral and Variance Accounts
10. Deferral/Variance Accounts - Billing Determinants
11. Deferral/Variance Accounts - Cost Allocation
12. Deferral/Variance Accounts - Calculation of Rate Riders
13. Proposed Monthly Fixed Charges
14. Proposed Volumetric Rate Riders
15. Proposed RTSR-Network Rates
16. Proposed RTSR-Connection Rates
17. Adjustments for Revenue/Cost Ratio and GDP-IPI - X
18. Loss Factors - Current and Proposed (if applicable)
19. Other Charges
20. 2012 Final Tariff of Rates and Charges
21. Bill Impacts

Ontario Energy Board

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Hearst Power Distribution Company Limited - EB-2011-0171

Select the appropriate rate classes as they appear on your most recent Board-Approved Tariff of Rates and Charges.
Note: The microFIT class does not exist in the drop-down menu below as it will automatically be inserted into your proposed Tariff Schedule.

Rate Class
Residential
General Service Less Than 50 kW
General Service 50 to 1,499 kW
Intermediate With Self Generation
Sentinel Lighting
Street Lighting
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class

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Hearst Power Distribution Company Limited - EB-2011-0171

Please note that unlike the Distribution Volumetric Rates, which will be entered in the following two tabs, all current Monthly Fixed Charges, including the base charges, must be entered on this tab. Please enter the descriptions of the current Monthly Fix Charges exactly as they appear on your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus under the column labeled "Rate Description". If the description is not found in the drop-down menu, please enter the description in the green cells under the correct class exactly as it appears on the tariff. Once a description is selected or entered into the green cells, the input cells for the "Unit", "Amount", and "Effective Date" will appear. Please note that the base Monthly Fixed Charge is identified in the drop-down list as a "Service Charge" to coincide with the description on the tariff. Please do not enter more than one "Service Charge" for each class for which a base monthly fixed charge applies. **Note: Do not enter Standard Supply Service Rate. The rate will appear automatically on the final Tariff of Rates and Charges.

Rate Description	Unit	Amount	Effective Until Date
Residential			
Service Charge	$	9.00	
Smart Meter Funding Adder	$	2.50	April 30, 2012
Rate Rider for Foregone Revenue Recovery	$	0.24	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.30	April 30, 2012
General Service Less Than 50 kW			
Service Charge	$	19.50	
Smart Meter Funding Adder	$	2.50	April 30, 2012
Rate Rider for Foregone Revenue Recovery	$	2.24	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.54	April 30, 2012
General Service 50 to 1,499 kW			
Service Charge	$	66.00	
Smart Meter Funding Adder	$	2.50	April 30, 2012
Rate Rider for Foregone Revenue Recovery	$	5.63	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	5.35	April 30, 2012
Intermediate With Self Generation			
Service Charge	$	220.00	
Smart Meter Funding Adder	$	2.50	April 30, 2012
Rate Rider for Foregone Revenue Recovery	$	25.06	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	26.28	April 30, 2012
Sentinel Lighting			
Service Charge	$	7.00	
Rate Rider for Foregone Revenue Recovery	$	0.46	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.16	April 30, 2012
Street Lighting			
Service Charge	$	5.50	
Rate Rider for Foregone Revenue Recovery	$	0.69	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.02	April 30, 2012

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

For each class, please enter the base Distribution Volumetric Rates ("DVR") from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus and input cells in columns labeled "Unit" and "Amount".

Rate Description	Unit	Amount
Residential	$/kWh	0.01560
General Service Less Than 50 kW	$/kWh	0.00660
General Service 50 to 1,499 kW	$/kW	2.79450
Intermediate With Self Generation	$/kW	1.00770
Sentinel Lighting	$/kW	3.07780
Street Lighting	$/kW	1.60270

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Please enter the descriptions of all other current Variable Rates, including any applicable low voltage charges, rate riders, rate adders, etc. from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus located under the column labeled "Rate Description". If the description is not found in the drop-down menu, please enter the description of the associated rate in the green cells exactly as it appears on the tariff. Once a description is selected or entered into the green cells, the input cells for the "Unit", "Amount", and "Effective Date" will appear. **Note: Do not enter the WMSR or RRRP Rate below. These rates will appear automatically on the final Tariff of Rates and Charges.

Rate Description	Unit	Amount	Effective Until Date
Residential			
Low Voltage Service Rate	$/kWh	0.00070	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	$/kWh	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	(0.00430)	April 30, 2013
Rate Rider for Recovery of Foregone Revenue	$/kWh	0.00090	April 30, 2012
General Service Less Than 50 kW			
Low Voltage Service Rate	$/kWh	0.00060	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	$/kWh	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	(0.00400)	April 30, 2013
Rate Rider for Recovery of Foregone Revenue	$/kWh	(0.00040)	April 30, 2012
General Service 50 to 1,499 kW			
Low Voltage Service Rate	$/kW	0.22700	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	$/kW	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	(1.38890)	April 30, 2013
Rate Rider for Recovery of Foregone Revenue	$/kW	0.00790	April 30, 2012
Intermediate With Self Generation			
Low Voltage Service Rate	$/kW	0.26770	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	$/kW	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	(1.22680)	April 30, 2013

Rate Rider for Recovery of Foregone Revenue	$/kW	0.06710	April 30, 2012

Sentinel Lighting

Low Voltage Service Rate	$/kW	0.17910	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	$/kW	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	(5.52140)	April 30, 2013
Rate Rider for Recovery of Foregone Revenue	$/kW	0.21110	April 30, 2012

Street Lighting

Low Voltage Volumetric Rate	$/kW	0.17550	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	$/kW	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	(3.13320)	April 30, 2013
Rate Rider for Recovery of Foregone Revenue	$/kW	0.07720	April 30, 2012

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Please enter your RTS-Network Rates from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus under the column labeled "Rate Description". If the description is not found in the drop-down menu, please enter the description in the green cells under the correct classes exactly as it appears on the tariff.

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00520
General Service Less Than 50 kW		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00470
General Service 50 to 1,499 kW		
Retail Transmission Rate – Network Service Rate	$/kW	1.95630
Intermediate With Self Generation		
Retail Transmission Rate – Network Service Rate	$/kW	2.18800
Sentinel Lighting		
Retail Transmission Rate – Network Service Rate	$/kW	1.48290
Street Lighting		
Retail Transmission Rate – Network Service Rate	$/kW	1.47530

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Please enter your RTS-Connection Rates from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus under the column labeled "Rate Description". If the description is not found in the drop-down menu, please enter the description in the green cells under the correct classes exactly as it appears on the tariff.

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.00440
General Service Less Than 50 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.00400
General Service 50 to 1,499 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.58610
Intermediate With Self Generation		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.87080
Sentinel Lighting		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.24040
Street Lighting		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.21510

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Please complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521 and Account 1562. Enter information into green cells only. Lines 51-61 contain footnotes and further instructions.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2009 balances, the starting point for your entries below should be the adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for the 2010 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

		2005									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-05	Transactions Debit / (Credit) during 2005 excluding interest and adjustments [5]	Board-Approved Disposition during 2005	Adjustments during 2005 - other [3]	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec-31-05	Board-Approved Disposition during 2005	Adjustments during 2005 - other [3]	Closing Interest Amounts as of Dec-31-05
Group 1 Accounts											
LV Variance Account	1550					$ -					$ -
RSVA - Wholesale Market Service Charge	1580	$ 42,601	$ 31,727			$ 74,328	-$ 125	$ 243			$ 118
RSVA - Retail Transmission Network Charge	1584	-$ 200,313	-$ 75,089			-$ 275,402	-$ 368	-$ 450			-$ 818
RSVA - Retail Transmission Connection Charge	1586	-$ 131,279	-$ 50,745			-$ 182,024	-$ 215	-$ 303			-$ 518
RSVA - Power (excluding Global Adjustment)	1588	-$ 400,185	-$ 292,727			-$ 692,913		-$ 39,471			-$ 39,471
RSVA - Power - Sub-Account - Global Adjustment	1588		$ 5,696			$ 5,696		-$ 1,419			-$ 1,419
Recovery of Regulatory Asset Balances	1590	$ 33,946	$ 147,114			$ 181,060		$ 6,111			$ 6,111
Disposition and Recovery of Regulatory Balances (2008)[7]	1595					$ -					$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595					$ -					$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-$ 655,231	-$ 234,025	$ -	$ -	-$ 889,256	-$ 708	-$ 35,288	$ -	$ -	-$ 35,996
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 655,231	-$ 239,721	$ -	$ -	-$ 894,952	-$ 708	-$ 33,869	$ -	$ -	-$ 34,577
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ 5,696	$ -	$ -	$ 5,696	$ -	-$ 1,419	$ -	$ -	-$ 1,419
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**										
Group 1 Total + 1521 + 1562		-$ 655,231	-$ 234,025	$ -	$ -	-$ 889,256	-$ 708	-$ 35,288	$ -	$ -	-$ 35,996
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592					$ -					$ -
Disposition and Recovery of Regulatory Balances[7]	1595					$ -					$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

[1] Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board

[2] Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

[2A] Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

[3] Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

[4] Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 and 29.

[5] For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

[6] If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 11 on the December 31, 2010 balance. The projected interested is recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board in the 2011 rate decision.

[7] Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has been completed, and the audited financial statements support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the balances in Account 1595 on a memo basis only (line 49).

Hearst Power Distribution Company Limited - EB-2011-0171

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
otnotes and further instructions.

you have received approval to dispose of balances from prior years, the starting point for entries in the 2012
ceived approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the Decemb
djustment column AV for principal and column BA for interest. This will allow for the correct starting point fo
equiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Account Descriptions	Account Number	2006									
		Opening Principal Amounts as of Jan-1-06	Transactions Debit / (Credit) during 2006 excluding interest and adjustments [5]	Board-Approved Disposition during 2006 [2, 2A]	Adjustments during 2006 - other [3]	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 [2, 2A]	Adjustments during 2006 - other [3]	Closing Interest Amounts as of Dec-31-06
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	$ 74,328	-$ 129,442	$ 42,602		-$ 97,715	$ 118	$ 1,769	-$ 281		$ 2,167
RSVA - Retail Transmission Network Charge	1584	-$ 275,402	-$ 13,425	-$ 200,314		-$ 88,513	-$ 818	-$ 7,516	-$ 1,104		-$ 7,230
RSVA - Retail Transmission Connection Charge	1586	-$ 182,024	-$ 48,736	-$ 131,279		-$ 99,482	-$ 518	-$ 5,136	-$ 841		-$ 4,813
RSVA - Power (excluding Global Adjustment)	1588	-$ 692,913	$ 28,821	-$ 399,054		-$ 265,038	-$ 39,471	-$ 22,773	-$ 3,748		-$ 58,496
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 5,696	$ 50,038			$ 55,734	-$ 1,419	$ 1,705			$ 286
Recovery of Regulatory Asset Balances	1590	$ 181,060	$ 205,262	$ 601,620		-$ 215,298	$ 6,111	-$ 3,398			$ 2,714
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-$ 889,256	$ 92,518	-$ 86,425	$ -	-$ 710,313	-$ 35,996	-$ 35,350	-$ 5,974	$ -	-$ 65,372
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 894,952	$ 42,480	-$ 86,425	$ -	-$ 766,046	-$ 34,577	-$ 37,055	-$ 5,974	$ -	-$ 65,658
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 5,696	$ 50,038	$ -	$ -	$ 55,734	-$ 1,419	$ 1,705	$ -	$ -	$ 286
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**					$ 1,495		$ 561			$ 561
Group 1 Total + 1521 + 1562		-$ 889,256	$ 92,518	-$ 86,425	$ -	-$ 708,818	-$ 35,996	-$ 34,789	-$ 5,974	$ -	-$ 64,811
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sig
have a negative figure) as per the related Board decision.**

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs

Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di

Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the trans
If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31,
Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from Janu
recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances app

Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, incl

Hearst Power Distribution Company Limited - EB-2011-0171

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
ootnotes and further instructions.

you have received approval to dispose of balances from prior years, the starting point for entries in the 2012
eceived approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the Decemb
djustment column AV for principal and column BA for interest. This will allow for the correct starting point fo
equiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Account Descriptions	Account Number	2007									
		Opening Principal Amounts as of Jan-1-07	Transactions Debit / (Credit) during 2007 excluding interest and adjustments [5]	Board-Approved Disposition during 2007	Adjustments during 2007 - other [3]	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other [3]	Closing Interest Amounts as of Dec-31-07
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	-$ 97,715	-$ 78,884			-$ 176,599	$ 2,167	-$ 4,901			-$ 2,734
RSVA - Retail Transmission Network Charge	1584	-$ 88,513	$ 36,193			-$ 52,320	-$ 7,230	-$ 4,079			-$ 11,309
RSVA - Retail Transmission Connection Charge	1586	-$ 99,482	-$ 54,175			-$ 153,656	-$ 4,813	-$ 4,919			-$ 9,732
RSVA - Power (excluding Global Adjustment)	1588	-$ 265,038	-$ 16,178			-$ 281,216	-$ 58,496	-$ 12,966			-$ 71,462
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 55,734	$ 13,219			$ 68,953	$ 286	$ 2,682			$ 2,968
Recovery of Regulatory Asset Balances	1590	-$ 215,298	$ 123,958			-$ 91,341	$ 2,714	-$ 7,842			-$ 5,129
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-$ 710,313	$ 24,133	$ -	$ -	-$ 686,179	-$ 65,372	-$ 32,025	$ -	$ -	-$ 97,398
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 766,046	$ 10,914	$ -	$ -	-$ 755,133	-$ 65,658	-$ 34,707	$ -	$ -	-$ 100,365
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 55,734	$ 13,219	$ -	$ -	$ 68,953	$ 286	$ 2,682	$ -	$ -	$ 2,968
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	$ 1,495				$ 1,495	$ 561				$ 561
Group 1 Total + 1521 + 1562		-$ 708,818	$ 24,133	$ -	$ -	-$ 684,684	-$ 64,811	-$ 32,025	$ -	$ -	-$ 96,837
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sig
have a negative figure) as per the related Board decision.**

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs

Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di

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djustment column AV for principal and column BA for interest. This will allow for the correct starting point fo
equiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Account Descriptions	Account Number	2008									
		Opening Principal Amounts as of Jan-1-08	Transactions Debit / (Credit) during 2008 excluding interest and adjustments [5]	Board-Approved Disposition during 2008	Adjustments during 2008 - other [3]	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other [3]	Closing Interest Amounts as of Dec-31-08
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	-$ 176,599	-$ 15,932			-$ 192,531	-$ 2,734	-$ 7,292			-$ 10,027
RSVA - Retail Transmission Network Charge	1584	-$ 52,320	-$ 15,600			-$ 67,920	-$ 11,309	-$ 2,496			-$ 13,805
RSVA - Retail Transmission Connection Charge	1586	-$ 153,656	-$ 79,056			-$ 232,713	-$ 9,732	-$ 6,626			-$ 16,358
RSVA - Power (excluding Global Adjustment)	1588	-$ 281,216	$ 73,205			-$ 208,011	-$ 71,462	-$ 9,980			-$ 81,441
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 68,953	-$ 1,481			$ 67,472	$ 2,968	$ 2,705			$ 5,673
Recovery of Regulatory Asset Balances	1590	-$ 91,341	$ 31,205			-$ 60,136	-$ 5,129	$ 11,080			$ 5,951
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-$ 686,179	-$ 7,660	$ -	$ -	-$ 693,839	-$ 97,398	-$ 12,609	$ -	$ -	-$ 110,007
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 755,133	-$ 6,179	$ -	$ -	-$ 761,311	-$ 100,365	-$ 15,315	$ -	$ -	-$ 115,680
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 68,953	-$ 1,481	$ -	$ -	$ 67,472	$ 2,968	$ 2,705	$ -	$ -	$ 5,673
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	$ 1,495				$ 1,495	$ 561				$ 561
Group 1 Total + 1521 + 1562		-$ 684,684	-$ 7,660	$ -	$ -	-$ 692,344	-$ 96,837	-$ 12,609	$ -	$ -	-$ 109,446
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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have a negative figure) as per the related Board decision.**

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs

Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t

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djustment column AV for principal and column BA for interest. This will allow for the correct starting point fo
equiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Account Descriptions	Account Number	2009									
		Opening Principal Amounts as of Jan-1-09	Transactions Debit / (Credit) during 2009 excluding interest and adjustments [5]	Board-Approved Disposition during 2009	Adjustments during 2009 - other [3]	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other [3]	Closing Interest Amounts as of Dec-31-09
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	-$ 192,531	-$ 60,966			-$ 253,497	-$ 10,027	-$ 2,814			-$ 12,841
RSVA - Retail Transmission Network Charge	1584	-$ 67,920	-$ 13,995			-$ 81,916	-$ 13,805	-$ 984			-$ 14,789
RSVA - Retail Transmission Connection Charge	1586	-$ 232,713	-$ 91,357			-$ 324,070	-$ 16,358	-$ 3,552			-$ 19,909
RSVA - Power (excluding Global Adjustment)	1588	-$ 208,011	-$ 140,857			-$ 348,868	-$ 81,441	-$ 3,510			-$ 84,951
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 67,472	$ 107,293			$ 174,765	$ 5,673	$ 1,392			$ 7,065
Recovery of Regulatory Asset Balances	1590	-$ 60,136				-$ 60,136	$ 5,951	-$ 638			$ 5,314
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-$ 693,839	-$ 199,882	$ -	$ -	-$ 893,721	-$ 110,007	-$ 10,104	$ -	$ -	-$ 120,111
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 761,311	-$ 307,175	$ -	$ -	-$ 1,068,486	-$ 115,680	-$ 11,497	$ -	$ -	-$ 127,176
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 67,472	$ 107,293	$ -	$ -	$ 174,765	$ 5,673	$ 1,392	$ -	$ -	$ 7,065
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	$ 1,495				$ 1,495	$ 561				$ 561
Group 1 Total + 1521 + 1562		-$ 692,344	-$ 199,882	$ -	$ -	-$ 892,226	-$ 109,446	-$ 10,104	$ -	$ -	-$ 119,550
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board

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Hearst Power Distribution Company Limited - EB-2011-0171

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djustment column AV for principal and column BA for interest. This will allow for the correct starting point fo
equiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Account Descriptions	Account Number	2010														
		Opening Principal Amounts as of Jan-1-10	Transactions Debit / (Credit) during 2010 excluding interest and adjustments [5]	Board-Approved Disposition during 2010	Other [3] Adjustments during Q1 2010	Other [3] Adjustments during Q2 2010	Other [3] Adjustments during Q3 2010	Other [3] Adjustments during Q4 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other [3]	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts																
LV Variance Account	1550	$ -							$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	-$ 253,497	-$ 99,679						-$ 353,176	-$ 12,841	-$ 2,440			-$ 15,281
RSVA - Retail Transmission Network Charge	1584	-$ 81,916	$ 32,201						-$ 49,715	-$ 14,789	-$ 587			-$ 15,376
RSVA - Retail Transmission Connection Charge	1586	-$ 324,070	-$ 65,348						-$ 389,418	-$ 19,909	-$ 2,913			-$ 22,822
RSVA - Power (excluding Global Adjustment)	1588	-$ 348,868	-$ 139,932						-$ 488,799	-$ 84,951	-$ 3,510			-$ 88,461
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 174,765	-$ 36,515						$ 138,250	$ 7,065	$ 972			$ 8,037
Recovery of Regulatory Asset Balances	1590	-$ 60,136							-$ 60,136	$ 5,314	-$ 377			$ 4,937
Disposition and Recovery of Regulatory Balances (2008) [7]	1595	$ -							$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009) [7]	1595	$ -							$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-$ 893,721	-$ 309,273	$ -	$ -	$ -	$ -	$ -	-$ 1,202,994	-$ 120,111	-$ 8,855	$ -	$ -	-$ 128,966
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 1,068,486	-$ 272,758	$ -	$ -	$ -	$ -	$ -	-$ 1,341,244	-$ 127,176	-$ 9,827	$ -	$ -	-$ 137,004
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 174,765	-$ 36,515	$ -	$ -	$ -	$ -	$ -	$ 138,250	$ 7,065	$ 972	$ -	$ -	$ 8,037
Special Purpose Charge Assessment Variance Account	**1521**		$ 33,091			-$ 2,274	-$ 6,550	-$ 29,944	-$ 5,677		$ 131		-$ 116	$ 15
Deferred Payments in Lieu of Taxes	**1562**	$ 1,495							$ 1,495	$ 561				$ 561
Group 1 Total + 1521 + 1562		-$ 892,226	-$ 276,182	$ -	$ -	-$ 2,274	-$ 6,550	-$ 29,944	-$ 1,207,175	-$ 119,550	-$ 8,724	$ -	-$ 116	-$ 128,390
The following is not included in the total claim but are included on a memo basis:														
Board-Approved CDM Variance Account	1567								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -							$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances [7]	1595	$ -							$ -	$ -				$ -

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Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board

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Hearst Power Distribution Company Limited - EB-2011-0171

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djustment column AV for principal and column BA for interest. This will allow for the correct starting point fo
equiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Account Descriptions	Account Number	2011 Principal Disposition during 2011 - instructed by Board	2011 Interest Disposition during 2011 - instructed by Board	2011 Closing Principal Balances as of Dec 31-10 Adjusted for Dispositions during 2011	2011 Closing Interest Balances as of Dec 31-10 Adjusted during 2011 Disposition	Projected Interest on Dec-31-10 Balances: Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 [5]	Projected Interest on Dec-31-10 Balances: Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011 [6, 7]	Total Claim	2.1.7 RRR: As of Dec 31-10 [4]	Variance RRR vs. 2010 Balance (Principal + Interest)
Group 1 Accounts										
LV Variance Account	1550			$ -	$ -			$ -		$ -
RSVA - Wholesale Market Service Charge	1580	$ 192,413	$ 11,557	-$ 160,763	-$ 3,724	-$ 4,345	-$ 2,364	-$ 171,196	-$ 368,456	$ 1
RSVA - Retail Transmission Network Charge	1584	$ 68,739	$ 13,484	$ 19,024	-$ 1,892	$ 387	$ 268	$ 17,788	-$ 65,091	-$ 1
RSVA - Retail Transmission Connection Charge	1586	$ 233,231	$ 17,548	-$ 156,187	-$ 5,274	-$ 4,106	-$ 2,304	-$ 167,871	-$ 412,241	-$ 0
RSVA - Power (excluding Global Adjustment)	1588	$ 209,033	$ 8,305	-$ 279,767	-$ 80,156	-$ 5,692	-$ 4,112	-$ 369,727	-$ 430,973	$ 146,288
RSVA - Power - Sub-Account - Global Adjustment	1588	-$ 67,572	-$ 6,365	$ 70,678	$ 1,672	$ 1,643	$ 1,038	$ 75,032		-$ 146,288
Recovery of Regulatory Asset Balances	1590	$ 46,605	$ 7,922	-$ 13,531	$ 12,859	-$ 1,972	-$ 1,569	-$ 4,213	-$ 55,200	-$ 0
Disposition and Recovery of Regulatory Balances (2008)[7]	1595			$ -	$ -			$ -		$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595			$ -	$ -			$ -		$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ 682,448	$ 52,452	-$ 520,546	-$ 76,514	-$ 14,085	-$ 9,043	-$ 620,188	-$ 1,331,960	-$ 0
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ 750,020	$ 58,817	-$ 591,224	-$ 78,187	-$ 15,728	-$ 10,081	-$ 695,220	-$ 1,331,960	$ 146,287
RSVA - Power - Sub-Account - Global Adjustment	**1588**	-$ 67,572	-$ 6,365	$ 70,678	$ 1,672	$ 1,643	$ 1,038	$ 75,032	$ -	-$ 146,288
Special Purpose Charge Assessment Variance Account	**1521**					$ 364	-$ 83	-$ 5,380	$ 17,483	$ 23,144
Deferred Payments in Lieu of Taxes	**1562**			$ 1,495	$ 561			$ 2,056		-$ 2,056
Group 1 Total + 1521 + 1562		$ 682,448	$ 52,452	-$ 519,051	-$ 75,953	-$ 13,721	-$ 9,126	-$ 623,512	-$ 1,314,478	$ 21,088
The following is not included in the total claim but are included on a memo basis:										
Board-Approved CDM Variance Account	1567							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592							$ -		$ -
Disposition and Recovery of Regulatory Balances[7]	1595							$ -		$ -

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Ontario Energy Board

3RD Generation Incentive Regulation Model

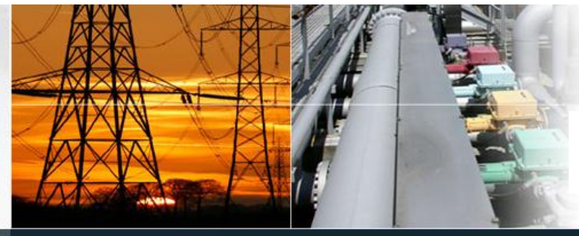
Hearst Power Distribution Company Limited - EB-2011-0171

In the green shaded cells, enter the most recent Board Approved volumetric forecast. If there is a material difference between the latest Board-approved volumetric forecast and the most recent 12-month actual volumetric data, use the most recent 12-month actual data.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue [1]	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) [2]	1595 Recovery Share Proportion (2009) [2]
Residential	$/kWh	25,225,707		1,577,596	-	660,547	34%		
General Service Less Than 50 kW	$/kWh	11,529,904		1,116,135	-	173,371	16%		
General Service 50 to 1,499 kW	$/kW	17,814,537	49,410	16,326,499	45,283	178,696	24%		
Intermediate With Self Generation	$/kW	18,248,907	59,337	18,248,907	59,337	68,101	25%		
Sentinel Lighting	$/kW	20,027	57	-	-	1,062	0%		
Street Lighting	$/kW	1,008,852	3,092	1,088,852	3,337	65,795	1%		
Total		73,847,934	111,896	38,357,989	107,957	1,147,571	100%	0%	0%

Total Claim (including Accounts 1521 and 1562)	-$	623,512
Total Claim for Threshold Test (All Group 1 Accounts)	-$	620,188
Threshold Test [3] (Total Claim per kWh)	-	0.00840

[1] For Account 1562, the allocation to customer classes should be performed on the basis of the test year distribution revenue allocation to customer classes found in the Applicant's Cost of Service application that was most recently approved at the time of disposition of the 1562 account balance.
[2] Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.
[3] The Threshold Test does not include the amount in 1521 nor 1562.



Ontario Energy Board

Deferral / Variance Account Work Form

Hearst Power Distribution Company Limited - EB-2011-0171

No input required. This workshseet allocates the deferral/variance account balances (Group 1, 1521, 1588 GA and 1562) to the appropriate classes.

Allocation of Group 1 Accounts (Excluding Account 1588 - Global Adjustment)

Rate Class	Units	Billed kWh	% kWh	1550	1580	1584	1586	1588*	1590	1595 (2008)	1595 (2009)	1521	Total
Residential	$/kWh	25,225,707	34.16%	0	(58,479)	6,076	(57,343)	(126,295)	(1,439)	0	0	(1,838)	(239,318)
General Service Less Than 50 kW	$/kWh	11,529,904	15.61%	0	(26,729)	2,777	(26,210)	(57,726)	(658)	0	0	(840)	(109,385)
General Service 50 to 1,499 kW	$/kW	17,814,537	24.12%	0	(41,298)	4,291	(40,496)	(89,190)	(1,016)	0	0	(1,298)	(169,008)
Intermediate With Self Generation	$/kW	18,248,907	24.71%	0	(42,305)	4,396	(41,484)	(91,365)	(1,041)	0	0	(1,330)	(173,128)
Sentinel Lighting	$/kW	20,027	0.03%	0	(46)	5	(46)	(100)	(1)	0	0	(1)	(190)
Street Lighting	$/kW	1,008,852	1.37%	0	(2,339)	243	(2,293)	(5,051)	(58)	0	0	(73)	(9,571)
Total		73,847,934	100.00%	0	(171,196)	17,788	(167,871)	(369,727)	(4,213)	0	0	(5,380)	(700,600)

** RSVA - Power (Excluding Global Adjustment)*

1588 RSVA - Power (Global Adjustment Sub-Account)

Rate Class	non-RPP kWh	% kWh	1588
Residential	1,577,596	4.11%	3,086
General Service Less Than 50 kW	1,116,135	2.91%	2,183
General Service 50 to 1,499 kW	16,326,499	42.56%	31,936
Intermediate With Self Generation	18,248,907	47.58%	35,697
Sentinel Lighting	-	0.00%	-
Street Lighting	1,088,852	2.84%	2,130
Total	38,357,989	100.00%	75,032

Allocation of Account 1562

	% of Distribution Revenue	Allocation of Balance in Account 1562
Residential	57.6%	1,183
General Service Less Than 50 kW	15.1%	311
General Service 50 to 1,499 kW	15.6%	320
Intermediate With Self Generation	5.9%	122
Sentinel Lighting	0.1%	2
Street Lighting	5.7%	118
Total	100.0%	2,056

Ontario Energy Board

Deferral / Variance Account Work Form

Hearst Power Distribution Company Limited - EB-2011-0171

No input required. This workshseet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account.

Please indicate the Rate Rider Recovery Period (in years) **4**

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider		Account 1588 Global Adjustment	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
Residential	$/kWh	25,225,707	-	-$ 238,134	($0.00236)	$/kWh	$ 3,086	1,577,596	$0.00049
General Service Less Than 50 kW	$/kWh	11,529,904	-	-$ 109,074	($0.00237)	$/kWh	$ 2,183	1,116,135	$0.00049
General Service 50 to 1,499 kW	$/kW	17,814,537	49,410	-$ 168,687	($0.85351)	$/kW	$ 31,936	45,283	$0.17631
Intermediate With Self Generation	$/kW	18,248,907	59,337	-$ 173,006	($0.72891)	$/kW	$ 35,697	59,337	$0.15040
Sentinel Lighting	$/kW	20,027	57	-$ 188	($0.82498)	$/kW	$ -	-	$0.00000
Street Lighting	$/kW	1,008,852	3,092	-$ 9,453	($0.76432)	$/kW	$ 2,130	3,337	$0.15956
Total		73,847,934	111,896	-$ 698,544			$ 75,032		

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Below is a listing of the current Monthly Fixed Charges. All rates with expired effective dates have been removed. In columns "B", "K", and "M" (green cells), please enter all additional Monthly Fixed Charges you are proposing (eg: Smart Meter Funding Adder, etc). Please ensure that the word "Rider" or "Adder" is included in the description (as applicable).

Rate Description	Unit	Amount	Effective Until Date	Proposed Amount	Effective Until Date
Residential					
Service Charge	$	9.00			
	$				
	$				
	$				
General Service Less Than 50 kW					
Service Charge	$	19.50			
	$				
	$				
	$				
General Service 50 to 1,499 kW					
Service Charge	$	66.00			
	$				
	$				
	$				
Intermediate With Self Generation					
Service Charge	$	220.00			
	$				
	$				
	$				
Sentinel Lighting					
Service Charge	$	7.00			
	$				
	$				
	$				
Street Lighting					
Service Charge	$	5.50			

	$		
	$		
	$		

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Below is a listing of the current Distribution Volumetric Rates other than the base rates. All rates with expired effective dates have been removed. In columns "B", "K", and "M" (green cells), please enter all additional volumetric rates you are proposing (eg: LRAM/SSM, Tax Adjustments, etc.). Please ensure that the word "Rider" or "Adder" is included in the description (as applicable).

Rate Description	Unit	Amount	Effective Until Date	Proposed Amount	Effective Until Date
Residential					
Low Voltage Service Rate	$/kWh	0.00070			
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	-0.00430	April 30, 2013		
Rate Rider For LRAM	$/kWh			0.00110	April 30, 2013
General Service Less Than 50 kW					
Low Voltage Service Rate	$/kWh	0.00060			
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	-0.00400	April 30, 2013		
Rate Rider For LRAM	$/kWh			0.00020	April 30, 2013
General Service 50 to 1,499 kW					
Low Voltage Service Rate	$/kW	0.22700			
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	-1.38890	April 30, 2013		
Rate Rider For LRAM	$/kW			0.09780	April 30, 2013
Intermediate With Self Generation					
Low Voltage Service Rate	$/kW	0.26770			

Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	-1.22680	April 30, 2013		
Sentinel Lighting					
Low Voltage Service Rate	$/kW	0.17910			
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	-5.52140	April 30, 2013		
Street Lighting					
Low Voltage Volumetric Rate	$/kW	0.17550			
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	-3.13320	April 30, 2013		

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Current RTSR-Network Rates are listed below. In column "K", please enter your proposed RTSR-Network Rates as per Sheet 13 of the Board's RTS Workform.

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
Residential				
Retail Transmission Rate – Network Service Rate	$/kWh	0.00520	1.923%	0.00530
General Service Less Than 50 kW				
Retail Transmission Rate – Network Service Rate	$/kWh	0.00470	2.128%	0.00480
General Service 50 to 1,499 kW		0.00000		
Retail Transmission Rate – Network Service Rate	$/kW	1.95630	2.147%	1.99830
Intermediate With Self Generation				
Retail Transmission Rate – Network Service Rate	$/kW	2.18800	2.148%	2.23500
Sentinel Lighting				
Retail Transmission Rate – Network Service Rate	$/kW	1.48290	2.144%	1.51470
Street Lighting				
Retail Transmission Rate – Network Service Rate	$/kW	1.47530	2.149%	1.50700

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Current RTSR-Connection Rates are listed below. In column "K", please enter your proposed RTSR-Connection Rates as per Sheet 13 of the Board's RTSR Workform.

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
Residential				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.00440	0.000%	0.00440
General Service Less Than 50 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.00400	0.000%	0.00400
General Service 50 to 1,499 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.58610	-0.221%	1.58260
Intermediate With Self Generation				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.87080	-0.225%	1.86660
Sentinel Lighting				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.24040	-0.226%	1.23760
Street Lighting				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.21510	-0.222%	1.21240

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

If applicable, please enter any adjustments related to the revenue to cost ratio model into columns H and K.
The Price Escalator has been set at the 2011 values and will be updated by Board staff. The Stretch Factor Value will also be updated by Board staff.

Price Escalator	**1.30%**	**Productivity Factor**	**0.72%**	**Price Cap Index**	**0.18%**
Choose Stretch Factor Group	II	**Associated Stretch Factor Value**	**0.4%**		

Rate Description	Unit	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	Unit	DVR Adjustment from R/C Model	Price Cap Index	Proposed MFC	Proposed Volumetric Charge
Residential	$	9.00	0.07	0.01560	$/kWh	0.00012	0.180%	9.09	0.01575
General Service Less Than 50 kW	$	19.50		0.00660	$/kWh		0.180%	19.54	0.00661
General Service 50 to 1,499 kW	$	66.00	(11.91)	2.79450	$/kW	(0.50449)	0.180%	54.18	2.29413
Intermediate With Self Generation	$	220.00		1.00770	$/kW		0.180%	220.40	1.00951
Sentinel Lighting	$	7.00		3.07780	$/kW		0.180%	7.01	3.08334
Street Lighting	$	5.50	2.26	1.60270	$/kW	0.65970	0.180%	7.78	2.26647

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

Please enter the descriptions of the current Loss Factors from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menu in the column labeled "Loss Factors". If the description is not found in the drop-down menu, please enter the description in the green cells under the correct classes.

Loss Factors	Current
Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0460
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0356
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Ontario Energy Board

3RD Generation Incentive Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

The standard Allowance rates have been included as default entries. If you have different rates, please make the appropriate corrections in the below. As well, please enter the current Specific Service Charges below. The standard Retail Service Charges have been entered below. If you rates, please make the appropriate corrections in columns B, D or E as applicable (cells are unlocked).

ALLOWANCES

	UNIT	CURRENT
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.45)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	$	15.00
Easement letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads		30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	$	30.00
Disconnect/Reconnect at meter - during regular hours	$	40.00
Disconnect/Reconnect at meter - after regular hours	$	Time and Materials

Other

Install/Remove load control device - during regular hours	$	40.00
Temporary service install & remove - overhead - no transformer	$	Time and Materials
Temporary service install & remove - underground - no transformer	$	Time and Materials
Specific Charge for Access to the Power Poles $/pole/year	$	22.35

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	$	no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

Hearst Power Distribution Company Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates,

EB-2011-0171

RESIDENTIAL SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Rate Class

Street Lighting

Consumption		kWh		kW
		kWh	*Load Factor*	

Current Loss Factor	*1.0460*
Proposed Loss Factor	*1.0460*

Street Lighting	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total Bill
Energy First Tier (kWh)	0.00	0.0680	0.00	0	0.0680	0.00	0.00	0.00%	0.00%
Energy Second Tier (kWh)			0.00			0.00	0.00	0.00%	0.00%
Sub-Total: Energy			**0.00**			**0.00**	**0.00**	**0.00%**	**0.00%**
Service Charge	1	5.50	5.50	1	7.78	7.78	2.28	41.42%	85.74%
Service Charge Rate Rider(s)	1	0.71	0.71	1	0.01	0.01	-0.70	(99.27)%	0.06%
Distribution Volumetric Rate	0	1.6027	0.00	0	2.2665	0.00	0.00	0.00%	0.00%
Low Voltage Volumetric Rate	0	0.1755	0.00	0	0.1755	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	0	(3.0560)	0.00	0	(0.7643)	0.00	0.00	0.00%	0.00%
Total: Distribution			**6.21**			**7.78**	**1.57**	**25.33%**	**85.80%**
Retail Transmission Rate – Network Service Rate	0.00	0.0000	0.00	0.00	1.5070	0.00	0.00	0.00%	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00	0.0000	0.00	0.00	1.2124	0.00	0.00	0.00%	0.00%
Total: Retail Transmission			**0.00**			**0.00**	**0.00**	**0.00%**	**0.00%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**6.21**			**7.78**	**1.57**	**25.33%**	**85.80%**
Wholesale Market Service Rate	0.00	0.0000	0.00	0.00	0.0052	0.00	0.00	0.00%	0.00%
Rural Rate Protection Charge	0.00	0.0000	0.00	0.00	0.0013	0.00	0.00	0.00%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.00	0.00	1	0.25	0.25	0.25	0.00%	2.76%
Sub-Total: Regulatory			**0.00**			**0.25**			**2.76%**
Debt Retirement Charge (DRC)	0.00	0.00700	**0.00**	0	0.0070	**0.00**	**0.00**	**0.00%**	**0.00%**
Total Bill before Taxes			**6.21**			**8.03**	**1.82**	**29.36%**	**88.55%**
HST		13%	**0.81**		13%	**1.04**	**0.24**	**29.36%**	**11.51%**
Total Bill			**7.02**			**9.08**	**2.06**	**29.36%**	**100.06%**
Ontario Clean Energy Benefit (OCEB)		**(10%)**	**-0.70**		**(10%)**	**-0.91**			
Total Bill (less OCEB)			**6.32**			**8.17**	**1.85**	**29.36%**	

Appendix 2 of 5

RTSR Adjustment

Choose Your Utility:

Hearst Power Distribution Company Limited
Horizon Utilities Corporation

Application T
OEB Applicati
LDC Licer

Application Contact Information

Name:	Steven Blier
Title:	General Manager
Phone Number:	(705) 372-2815
Email Address:	sblier@hearstpower.com

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V2.1

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Type:	IRM3	Last COS OEB Application #:	EB-2009-0266
on #:	EB-2011-0171	Last COS Re-Basing Year:	2010
nce #:	ED-2002-0533		

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Hearst Power Distribution Company Limited - EB-2011-0171 - IRM

1. Info

2. Table of Contents

3. Rate Classes

4. RRR Data

5. UTRs and Sub-Transmission

6. Historical Wholesale

7. Curren

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9. Adj Ne

10. Adj C

11. Adj N

12. Adj C

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Hearst Power Distribution Company Limited - EB-2011-0171 - IRM3

1. Select the appropriate rate classes that appear on your most recent Board-Ap
2. Enter the RTS Network and Connection Rate as it appears on the Tariff of Rate

Rate Class

Residential
General Service Less Than 50 kW
General Service 50 to 1,499 kW
Intermediate With Self Generation
Sentinel Lighting
Street Lighting
Choose Rate Class
Choose Rate Class
Choose Rate Class
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Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

proved Tariff of Rates and Charges.
es and Charges

Unit	RTSR - Network	RTSR - Connection
kWh	$ 0.0052	$ 0.0044
kWh	$ 0.0047	$ 0.0040
kW	$ 1.9563	$ 1.5861
kW	$ 2.1880	$ 1.8708
kW	$ 1.4829	$ 1.2404
kW	$ 1.4753	$ 1.2151

Hearst Power Distribution Company Limited - EB-2011-0171 - IRM3

In the green shaded cells, enter the most recent reported RRR billing determinants. Ple

Rate Class	Unit	Non-Loss Adjusted Metered kWh
Residential	kWh	25,225,707
General Service Less Than 50 kW	kWh	11,529,904
General Service 50 to 1,499 kW	kW	17,814,537
Intermediate With Self Generation	kW	18,248,907
Sentinel Lighting	kW	20,027
Street Lighting	kW	1,008,852

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

ease ensure that billing determinants are non-loss adjusted.

Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
	1.0460		26,386,090	-
	1.0460		12,060,280	-
49,410		**49.42%**	17,814,537	49,410
59,337		**42.15%**	18,248,907	59,337
57		**48.16%**	20,027	57
3,092		**44.72%**	1,008,852	3,092

Uniform Transmission Rates	Unit
Rate Description	
Network Service Rate	kW
Line Connection Service Rate	kW
Transformation Connection Service Rate	kW

Hydro One Sub-Transmission Rates	Unit
Rate Description	
Network Service Rate	kW
Line Connection Service Rate	kW
Transformation Connection Service Rate	kW
Both Line and Transformation Connection Service Rate	kW

Hydro One Sub-Transmission Rate Rider 6A	Unit

Rate Description	
RSVA Transmission network – 4714 – which affects 1584	kW
RSVA Transmission connection – 4716 – which affects 1586	kW
RSVA LV – 4750 – which affects 1550	kW
RARA 1 – 2252 – which affects 1590	kW
Hydro One Sub-Transmission Rate Rider 6A	kW

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate	Rate	Rate
$ 2.97	$ 3.22	$ 3.22
$ 0.73	$ 0.79	$ 0.79
$ 1.71	$ 1.77	$ 1.77

Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate	Rate	Rate
$ 2.65	$ 2.65	$ 2.65
$ 0.64	$ 0.64	$ 0.64
$ 1.50	$ 1.50	$ 1.50
$ 2.14	$ 2.14	$ 2.14

Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012

Rate		Rate		Rate	
$	0.0470	$	0.0470	$	0.0470
-$	0.0250	-$	0.0250	-$	0.0250
$	0.0580	$	0.0580	$	0.0580
-$	0.0750	-$	0.0750	-$	0.0750
$	0.0050	$	0.0050	$	0.0050

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Hearst Power Distribution Company Limited - EB-2011-0171 - IRM3

In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet "4. RRR Data". For Hydro One Sub-transmission Rates, if you are charged a *combined* Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

IESO

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	3,228	$2.97	$ 9,587	3,798	$0.73	$ 2,773	3,798	$1.71	$ 6,495	$ 9,267
February	3,508	$2.97	$ 10,419	3,969	$0.73	$ 2,897	3,969	$1.71	$ 6,787	$ 9,684
March	3,489	$2.97	$ 10,362	4,105	$0.73	$ 2,997	4,105	$1.71	$ 7,020	$ 10,016
April	3,861	$2.97	$ 11,467	4,389	$0.73	$ 3,204	4,389	$1.71	$ 7,505	$ 10,709
May	3,728	$2.97	$ 11,072	4,230	$0.73	$ 3,088	4,230	$1.71	$ 7,233	$ 10,321
June	3,800	$2.97	$ 11,286	4,018	$0.73	$ 2,933	4,018	$1.71	$ 6,871	$ 9,804
July	3,301	$2.97	$ 9,804	3,883	$0.73	$ 2,835	3,883	$1.71	$ 6,640	$ 9,475
August	3,507	$2.97	$ 10,416	4,126	$0.73	$ 3,012	4,126	$1.71	$ 7,055	$ 10,067
September	3,793	$2.97	$ 10,374	4,109	$0.73	$ 3,000	4,109	$1.71	$ 7,026	$ 10,026
October	3,539	$2.97	$ 10,511	4,163	$0.73	$ 3,039	4,163	$1.71	$ 7,119	$ 10,158
November	4,340	$2.97	$ 12,890	4,494	$0.73	$ 3,281	4,494	$1.71	$ 7,685	$ 10,965
December	4,343	$2.97	$ 12,899	4,621	$0.73	$ 3,373	4,621	$1.71	$ 7,902	$ 11,275
Total	44,437	$ 2.95	$ 131,087	49,905	$ 0.73	$ 36,431	49,905	$ 1.71	$ 85,338	$ 121,768

HYDRO ONE

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	9,712	$2.24	$ 21,755	10,037	$0.00		10,037	$1.99	$ 19,974	$ 19,974
February	9,042	$2.24	$ 20,254	9,042	$0.00		9,042	$1.99	$ 17,994	$ 17,994
March	8,303	$2.24	$ 18,599	8,303	$0.00		8,303	$1.99	$ 16,523	$ 16,523
April	8,894	$2.28	$ 20,254	8,894	$0.00		8,894	$2.00	$ 17,820	$ 17,820
May	8,582	$2.65	$ 22,742	8,582	$0.00		8,582	$2.14	$ 18,365	$ 18,365
June	7,989	$2.65	$ 21,171	7,989	$0.00		7,989	$2.14	$ 17,096	$ 17,096
July	8,033	$2.65	$ 21,287	8,033	$0.00		8,033	$2.14	$ 17,191	$ 17,191
August	8,493	$2.65	$ 22,506	8,493	$0.00		8,493	$2.14	$ 18,175	$ 18,175
September	7,614	$2.65	$ 20,167	7,614	$0.00		7,614	$2.14	$ 16,294	$ 16,294
October	8,780	$2.65	$ 23,267	8,803	$0.00		8,803	$2.14	$ 18,838	$ 18,838
November	10,526	$2.65	$ 27,894	10,526	$0.00		10,526	$2.14	$ 22,526	$ 22,526
December	11,955	$2.65	$ 31,681	11,955	$0.00		11,955	$2.14	$ 25,584	$ 25,584
Total	107,923	$ 2.52	$ 271,577	108,271	$ -	$ -	108,271	$ 2.09	$ 226,380	$ 226,380

TOTAL

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	12,940	$2.42	$ 31,342	13,835	$0.20	$ 2,773	13,835	$1.91	$ 26,468	$ 29,241
February	12,550	$2.44	$ 30,673	13,011	$0.22	$ 2,897	13,011	$1.90	$ 24,781	$ 27,678
March	11,792	$2.46	$ 28,961	12,408	$0.24	$ 2,997	12,408	$1.90	$ 23,543	$ 26,539
April	12,755	$2.49	$ 31,721	13,283	$0.24	$ 3,204	13,283	$1.91	$ 25,326	$ 28,530
May	12,310	$2.75	$ 33,814	12,812	$0.24	$ 3,088	12,812	$2.00	$ 25,599	$ 28,687
June	11,789	$2.75	$ 32,457	12,007	$0.24	$ 2,933	12,007	$2.00	$ 23,967	$ 26,900
July	11,334	$2.74	$ 31,091	11,916	$0.24	$ 2,835	11,916	$2.00	$ 23,831	$ 26,665
August	12,000	$2.74	$ 32,922	12,619	$0.24	$ 3,012	12,619	$2.00	$ 25,230	$ 28,242
September	11,407	$2.68	$ 30,541	11,723	$0.26	$ 3,000	11,723	$1.99	$ 23,320	$ 26,320
October	12,319	$2.74	$ 33,778	12,966	$0.23	$ 3,039	12,966	$2.00	$ 25,957	$ 28,996
November	14,866	$2.74	$ 40,784	15,020	$0.22	$ 3,281	15,020	$2.01	$ 30,210	$ 33,491
December	16,298	$2.74	$ 44,579	16,576	$0.20	$ 3,373	16,576	$2.02	$ 33,486	$ 36,859
Total	152,360	$ 2.64	$ 402,664	158,176	$ 0.23	$ 36,431	158,176	$ 1.97	$ 311,717	$ 348,148

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Hearst Power Distribution Company Limited - EB-2011-0171 - IRM3

The purpose of this sheet is to calculate the expected billing when current 2011 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	3,228	$ 3.2200	$ 10,394	3,798	$ 0.7900	$ 3,000	3,798	$ 1.7700	$ 6,722	$ 9,723
February	3,508	$ 3.2200	$ 11,296	3,969	$ 0.7900	$ 3,136	3,969	$ 1.7700	$ 7,025	$ 10,161
March	3,489	$ 3.2200	$ 11,235	4,105	$ 0.7900	$ 3,243	4,105	$ 1.7700	$ 7,266	$ 10,509
April	3,861	$ 3.2200	$ 12,432	4,389	$ 0.7900	$ 3,467	4,389	$ 1.7700	$ 7,769	$ 11,236
May	3,728	$ 3.2200	$ 12,004	4,230	$ 0.7900	$ 3,342	4,230	$ 1.7700	$ 7,487	$ 10,829
June	3,800	$ 3.2200	$ 12,236	4,018	$ 0.7900	$ 3,174	4,018	$ 1.7700	$ 7,112	$ 10,286
July	3,301	$ 3.2200	$ 10,629	3,883	$ 0.7900	$ 3,068	3,883	$ 1.7700	$ 6,873	$ 9,940
August	3,507	$ 3.2200	$ 11,293	4,126	$ 0.7900	$ 3,260	4,126	$ 1.7700	$ 7,303	$ 10,563
September	3,793	$ 3.2200	$ 12,213	4,109	$ 0.7900	$ 3,246	4,109	$ 1.7700	$ 7,273	$ 10,519
October	3,539	$ 3.2200	$ 11,396	4,163	$ 0.7900	$ 3,289	4,163	$ 1.7700	$ 7,369	$ 10,657
November	4,340	$ 3.2200	$ 13,975	4,494	$ 0.7900	$ 3,550	4,494	$ 1.7700	$ 7,954	$ 11,505
December	4,343	$ 3.2200	$ 13,984	4,621	$ 0.7900	$ 3,651	4,621	$ 1.7700	$ 8,179	$ 11,830
Total	44,437	$ 3.22	$ 143,087	49,905	$ 0.79	$ 39,425	49,905	$ 1.77	$ 88,332	$ 127,757

HYDRO ONE

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	9,712	$ 2.6970	$ 26,193	10,037	$ 0.6150	$ 6,173	10,037	$ 1.5000	$ 15,056	$ 21,228
February	9,042	$ 2.6970	$ 24,386	9,042	$ 0.6150	$ 5,561	9,042	$ 1.5000	$ 13,563	$ 19,124
March	8,303	$ 2.6970	$ 22,393	8,303	$ 0.6150	$ 5,106	8,303	$ 1.5000	$ 12,455	$ 17,561
April	8,894	$ 2.6970	$ 23,987	8,894	$ 0.6150	$ 5,470	8,894	$ 1.5000	$ 13,341	$ 18,811
May	8,582	$ 2.6970	$ 23,146	8,582	$ 0.6150	$ 5,278	8,582	$ 1.5000	$ 12,873	$ 18,151
June	7,989	$ 2.6970	$ 21,546	7,989	$ 0.6150	$ 4,913	7,989	$ 1.5000	$ 11,984	$ 16,897
July	8,033	$ 2.6970	$ 21,665	8,033	$ 0.6150	$ 4,940	8,033	$ 1.5000	$ 12,050	$ 16,990
August	8,493	$ 2.6970	$ 22,906	8,493	$ 0.6150	$ 5,223	8,493	$ 1.5000	$ 12,740	$ 17,963
September	7,614	$ 2.6970	$ 20,535	7,614	$ 0.6150	$ 4,683	7,614	$ 1.5000	$ 11,421	$ 16,104
October	8,780	$ 2.6970	$ 23,680	8,803	$ 0.6150	$ 5,414	8,803	$ 1.5000	$ 13,205	$ 18,618
November	10,526	$ 2.6970	$ 28,389	10,526	$ 0.6150	$ 6,473	10,526	$ 1.5000	$ 15,789	$ 22,262
December	11,955	$ 2.6970	$ 32,243	11,955	$ 0.6150	$ 7,352	11,955	$ 1.5000	$ 17,933	$ 25,285
Total	107,923	$ 2.70	$ 291,068	108,271	$ 0.62	$ 66,587	108,271	$ 1.50	$ 162,407	$ 228,993

TOTAL

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	12,940	$ 2.83	$ 36,587	13,835	$ 0.66	$ 9,173	13,835	$ 1.57	$ 21,778	$ 30,951
February	12,550	$ 2.84	$ 35,682	13,011	$ 0.67	$ 8,696	13,011	$ 1.58	$ 20,588	$ 29,284
March	11,792	$ 2.85	$ 33,628	12,408	$ 0.67	$ 8,349	12,408	$ 1.59	$ 19,720	$ 28,070
April	12,755	$ 2.86	$ 36,420	13,283	$ 0.67	$ 8,937	13,283	$ 1.59	$ 21,110	$ 30,047
May	12,310	$ 2.86	$ 35,150	12,812	$ 0.67	$ 8,620	12,812	$ 1.59	$ 20,360	$ 28,980
June	11,789	$ 2.87	$ 33,782	12,007	$ 0.67	$ 8,087	12,007	$ 1.59	$ 19,095	$ 27,183
July	11,334	$ 2.85	$ 32,294	11,916	$ 0.67	$ 8,008	11,916	$ 1.59	$ 18,922	$ 26,930
August	12,000	$ 2.85	$ 34,198	12,619	$ 0.67	$ 8,483	12,619	$ 1.59	$ 20,043	$ 28,525
September	11,407	$ 2.87	$ 32,748	11,723	$ 0.68	$ 7,929	11,723	$ 1.59	$ 18,694	$ 26,623
October	12,319	$ 2.85	$ 35,075	12,966	$ 0.67	$ 8,703	12,966	$ 1.59	$ 20,573	$ 29,276
November	14,866	$ 2.85	$ 42,363	15,020	$ 0.67	$ 10,024	15,020	$ 1.58	$ 23,743	$ 33,767
December	16,298	$ 2.84	$ 46,227	16,576	$ 0.66	$ 11,003	16,576	$ 1.58	$ 26,112	$ 37,115
Total	152,360	$ 2.85	$ 434,155	158,176	$ 0.67	$ 106,012	158,176	$ 1.59	$ 250,738	$ 356,750

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Hearst Power Distribution Company Limited - EB-2011-0171 - IRM3

The purpose of this sheet is to calculate the expected billing when forecasted 2012 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	3,228	$ 3.2200	$ 10,394	3,798	$ 0.7900	$ 3,000	3,798	$ 1.7700	$ 6,722	$ 9,723
February	3,508	$ 3.2200	$ 11,296	3,969	$ 0.7900	$ 3,136	3,969	$ 1.7700	$ 7,025	$ 10,161
March	3,489	$ 3.2200	$ 11,235	4,105	$ 0.7900	$ 3,243	4,105	$ 1.7700	$ 7,266	$ 10,509
April	3,861	$ 3.2200	$ 12,432	4,389	$ 0.7900	$ 3,467	4,389	$ 1.7700	$ 7,769	$ 11,236
May	3,728	$ 3.2200	$ 12,004	4,230	$ 0.7900	$ 3,342	4,230	$ 1.7700	$ 7,487	$ 10,829
June	3,800	$ 3.2200	$ 12,236	4,018	$ 0.7900	$ 3,174	4,018	$ 1.7700	$ 7,112	$ 10,286
July	3,301	$ 3.2200	$ 10,629	3,883	$ 0.7900	$ 3,068	3,883	$ 1.7700	$ 6,873	$ 9,940
August	3,507	$ 3.2200	$ 11,293	4,126	$ 0.7900	$ 3,260	4,126	$ 1.7700	$ 7,303	$ 10,563
September	3,793	$ 3.2200	$ 12,213	4,109	$ 0.7900	$ 3,246	4,109	$ 1.7700	$ 7,273	$ 10,519
October	3,539	$ 3.2200	$ 11,396	4,163	$ 0.7900	$ 3,289	4,163	$ 1.7700	$ 7,369	$ 10,657
November	4,340	$ 3.2200	$ 13,975	4,494	$ 0.7900	$ 3,550	4,494	$ 1.7700	$ 7,954	$ 11,505
December	4,343	$ 3.2200	$ 13,984	4,621	$ 0.7900	$ 3,651	4,621	$ 1.7700	$ 8,179	$ 11,830
Total	44,437	$ 3.22	$ 143,087	49,905	$ 0.79	$ 39,425	49,905	$ 1.77	$ 88,332	$ 127,757

HYDRO ONE

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	9,712	$ 2.6970	$ 26,193	10,037	$ 0.6150	$ 6,173	10,037	$ 1.5000	$ 15,056	$ 21,228
February	9,042	$ 2.6970	$ 24,386	9,042	$ 0.6150	$ 5,561	9,042	$ 1.5000	$ 13,563	$ 19,124
March	8,303	$ 2.6970	$ 22,393	8,303	$ 0.6150	$ 5,106	8,303	$ 1.5000	$ 12,455	$ 17,561
April	8,894	$ 2.6970	$ 23,987	8,894	$ 0.6150	$ 5,470	8,894	$ 1.5000	$ 13,341	$ 18,811
May	8,582	$ 2.6970	$ 23,146	8,582	$ 0.6150	$ 5,278	8,582	$ 1.5000	$ 12,873	$ 18,151
June	7,989	$ 2.6970	$ 21,546	7,989	$ 0.6150	$ 4,913	7,989	$ 1.5000	$ 11,984	$ 16,897
July	8,033	$ 2.6970	$ 21,665	8,033	$ 0.6150	$ 4,940	8,033	$ 1.5000	$ 12,050	$ 16,990
August	8,493	$ 2.6970	$ 22,906	8,493	$ 0.6150	$ 5,223	8,493	$ 1.5000	$ 12,740	$ 17,963
September	7,614	$ 2.6970	$ 20,535	7,614	$ 0.6150	$ 4,683	7,614	$ 1.5000	$ 11,421	$ 16,104
October	8,780	$ 2.6970	$ 23,680	8,803	$ 0.6150	$ 5,414	8,803	$ 1.5000	$ 13,205	$ 18,618
November	10,526	$ 2.6970	$ 28,389	10,526	$ 0.6150	$ 6,473	10,526	$ 1.5000	$ 15,789	$ 22,262
December	11,955	$ 2.6970	$ 32,243	11,955	$ 0.6150	$ 7,352	11,955	$ 1.5000	$ 17,933	$ 25,285
Total	107,923	$ 2.70	$ 291,068	108,271	$ 0.62	$ 66,587	108,271	$ 1.50	$ 162,407	$ 228,993

TOTAL

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	12,940	$ 2.83	$ 36,587	13,835	$ 0.66	$ 9,173	13,835	$ 1.57	$ 21,778	$ 30,951
February	12,550	$ 2.84	$ 35,682	13,011	$ 0.67	$ 8,696	13,011	$ 1.58	$ 20,588	$ 29,284
March	11,792	$ 2.85	$ 33,628	12,408	$ 0.67	$ 8,349	12,408	$ 1.59	$ 19,720	$ 28,070
April	12,755	$ 2.86	$ 36,420	13,283	$ 0.67	$ 8,937	13,283	$ 1.59	$ 21,110	$ 30,047
May	12,310	$ 2.86	$ 35,150	12,812	$ 0.67	$ 8,620	12,812	$ 1.59	$ 20,360	$ 28,980
June	11,789	$ 2.87	$ 33,782	12,007	$ 0.67	$ 8,087	12,007	$ 1.59	$ 19,095	$ 27,183
July	11,334	$ 2.85	$ 32,294	11,916	$ 0.67	$ 8,008	11,916	$ 1.59	$ 18,922	$ 26,930
August	12,000	$ 2.85	$ 34,198	12,619	$ 0.67	$ 8,483	12,619	$ 1.59	$ 20,043	$ 28,525
September	11,407	$ 2.87	$ 32,748	11,723	$ 0.68	$ 7,929	11,723	$ 1.59	$ 18,694	$ 26,623
October	12,319	$ 2.85	$ 35,075	12,966	$ 0.67	$ 8,703	12,966	$ 1.59	$ 20,573	$ 29,276
November	14,866	$ 2.85	$ 42,363	15,020	$ 0.67	$ 10,024	15,020	$ 1.58	$ 23,743	$ 33,767
December	16,298	$ 2.84	$ 46,227	16,576	$ 0.66	$ 11,003	16,576	$ 1.58	$ 26,112	$ 37,115
Total	152,360	$ 2.85	$ 434,155	158,176	$ 0.67	$ 106,012	158,176	$ 1.59	$ 250,738	$ 356,750

Hearst Power Distribution Company Limited - EB-2011-0171

The purpose of this sheet is to re-align the current RTS Network Rates

Rate Class	Unit		Current RTSR - Network
Residential	kWh	$	0.0052
General Service Less Than 50 kW	kWh	$	0.0047
General Service 50 to 1,499 kW	kW	$	1.9563
Intermediate With Self Generation	kW	$	2.1880
Sentinel Lighting	kW	$	1.4829
Street Lighting	kW	$	1.4753

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

- IRM3

to recover current wholesale network costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing
26,386,090	-	$ 137,208	32.3%	$ 140,154
12,060,280	-	$ 56,683	13.3%	$ 57,901
17,814,537	49,410	$ 96,661	22.7%	$ 98,737
18,248,907	59,337	$ 129,829	30.5%	$ 132,618
20,027	57	$ 85	0.0%	$ 86
1,008,852	3,092	$ 4,562	1.1%	$ 4,660
		$ 425,027		

$	0.0053
$	0.0048
$	1.9983
$	2.2350
$	1.5147
$	1.5070

Hearst Power Distribution Company Limited - EB-2011-0171 -

The purpose of this sheet is to re-align the current RTS Connection R

Rate Class	Unit		Current RTSR - Connection
Residential	kWh	$	0.0044
General Service Less Than 50 kW	kWh	$	0.0040
General Service 50 to 1,499 kW	kW	$	1.5861
Intermediate With Self Generation	kW	$	1.8708
Sentinel Lighting	kW	$	1.2404
Street Lighting	kW	$	1.2151

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

- IRM3

ates to recover current wholesale connection costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing
26,386,090	-	$ 116,099	32.5%	$ 115,841
12,060,280	-	$ 48,241	13.5%	$ 48,134
17,814,537	49,410	$ 78,369	21.9%	$ 78,195
18,248,907	59,337	$ 111,008	31.0%	$ 110,761
20,027	57	$ 71	0.0%	$ 71
1,008,852	3,092	$ 3,757	1.1%	$ 3,749
		$ 357,545		

$	0.0044
$	0.0040
$	1.5826
$	1.8666
$	1.2376
$	1.2124

Hearst Power Distribution Company Limited - EB-2011-0171 -

The purpose of this sheet is to update the re-align RTS Network Rates t

Rate Class	Unit		Adjusted RTSR - Network
Residential	kWh	$	0.0053
General Service Less Than 50 kW	kWh	$	0.0048
General Service 50 to 1,499 kW	kW	$	1.9983
Intermediate With Self Generation	kW	$	2.2350
Sentinel Lighting	kW	$	1.5147
Street Lighting	kW	$	1.5070

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

- IRM3

o recover forecast wholesale network costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing
26,386,090	-	$ 140,154	32.3%	$ 140,154
12,060,280	-	$ 57,901	13.3%	$ 57,901
17,814,537	49,410	$ 98,737	22.7%	$ 98,737
18,248,907	59,337	$ 132,618	30.5%	$ 132,618
20,027	57	$ 86	0.0%	$ 86
1,008,852	3,092	$ 4,660	1.1%	$ 4,660
		$ 434,155		

Proposed RTSR Network
$ 0.0053
$ 0.0048
$ 1.9983
$ 2.2350
$ 1.5147
$ 1.5070

Hearst Power Distribution Company Limited - EB-2011-0171 -

The purpose of this sheet is to update the re-aligned RTS Connection Rate

Rate Class	Unit	Adjusted RTSR - Connection	
Residential	kWh	$	0.0044
General Service Less Than 50 kW	kWh	$	0.0040
General Service 50 to 1,499 kW	kW	$	1.5826
Intermediate With Self Generation	kW	$	1.8666
Sentinel Lighting	kW	$	1.2376
Street Lighting	kW	$	1.2124

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

- IRM3

es to recover forecast wholesale connection costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing
26,386,090	-	$ 115,841	32.5%	$ 115,841
12,060,280	-	$ 48,134	13.5%	$ 48,134
17,814,537	49,410	$ 78,195	21.9%	$ 78,195
18,248,907	59,337	$ 110,761	31.0%	$ 110,761
20,027	57	$ 71	0.0%	$ 71
1,008,852	3,092	$ 3,749	1.1%	$ 3,749
		$ 356,750		

Proposed RTSR Connection
$ 0.0044
$ 0.0040
$ 1.5826
$ 1.8666
$ 1.2376
$ 1.2124

Hearst Power Distribution Company Limited - EB-2011-0171 - II

For Cost of Service Applicants, please enter the following Proposed RTS r

For IRM applicants, please enter these rates into the 2012 Rate Generator.

Rate Class	Unit	Proposed RTSR Network	
Residential	kWh	$	0.0053
General Service Less Than 50 kW	kWh	$	0.0048
General Service 50 to 1,499 kW	kW	$	1.9983
Intermediate With Self Generation	kW	$	2.2350
Sentinel Lighting	kW	$	1.5147
Street Lighting	kW	$	1.5070

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

RM3

ates into your rates model.

Proposed RTSR Connection	
$	0.0044
$	0.0040
$	1.5826
$	1.8666
$	1.2376
$	1.2124

Appendix 3 of 5

Shared Tax Saving

V1.2

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Choose Your Utility:
Haldimand County Hydro Inc.
Hearst Power Distribution Company Limited

Application EB-2011-0171
OEB Application IRM3
LDC Licence #: ED-2002-0533

Application Contact Information

Name:	Steven Blier
Title:	General Manager
Phone Number:	(705) 372-2815
Email Address:	sblier@hearstpower.com
We are applying for rates effective:	May 1, 2012
Last COS Re-based Year	2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION

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Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Hearst Power Distribution Company Limited

1. Info

2. Table of Contents

3. Re-Based Billing Determinants and Rates

4. Re-Based Revenue from Rates

5. Z-Factor Tax Changes

6. Calculation of Tax Change Variable Rate Rider

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Hearst Power Distribution Company Limited

Enter your 2011 Base Monthly Fixed Charge and Distribution Volumetric Charge into columns labeled "Rate ReBal Base Service Charge" and "Rate ReBal Base Distribution Volumetric Rate kWh/kW" respectively.

Last COS Re-based Year was in 2010

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	2,322	26,267,362		9.00	0.0156	
GSLT50	General Service Less Than 50 kW	Customer	kWh	391	12,405,535		19.50	0.0066	
GSGT50	General Service 50 to 1,499 kW	Customer	kW	38		53,176	66.00		2.7945
GSGT50	Intermediate With Self Generation	Customer	kW	3		59,721	220.00		1.0077
Sen	Sentinel Lighting	Connection	kW	10		72	7.00		3.0778
SL	Street Lighting	Connection	kW	922		3,084	5.50		1.6027
NA	Rate Class 7	NA	NA						
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Hearst Power Distribution Company Limited

Calculating Re-Based Revenue from Rates. No input required.

Last COS Re-based Year was in 2010

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F	Service Charge Revenue G = A * D *12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requirement from Rates J = G + H + I
Residential	2,322	26,267,362	0	9.00	0.0156	0.0000	250,776	409,771	0	660,547
General Service Less Than 50 kW	391	12,405,535	0	19.50	0.0066	0.0000	91,494	81,877	0	173,371
General Service 50 to 1,499 kW	38	0	53,176	66.00	0.0000	2.7945	30,096	0	148,600	178,696
Intermediate With Self Generation	3	0	59,721	220.00	0.0000	1.0077	7,920	0	60,181	68,101
Sentinel Lighting	10	0	72	7.00	0.0000	3.0778	840	0	222	1,062
Street Lighting	922	0	3,084	5.50	0.0000	1.6027	60,852	0	4,943	65,795
							441,978	491,647	213,946	1,147,571

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Hearst Power Distribution Company Limited

This worksheet calculates the tax sharing amount.

Step 1: Press the Update Button (this will clear all input cells and reveal your latest cost of service re-basing year).

Summary - Sharing of Tax Change Forecast Amounts

For the 2010 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2010	2012
Taxable Capital	$ -	$ -
Deduction from taxable capital up to $15,000,000	$ -	$ -
Net Taxable Capital	$ -	$ -
Rate	0.150%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	**$ -**	**$ -**

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2010	2012
Regulatory Taxable Income	$ 58,303	$ 58,303
Corporate Tax Rate	16.00%	15.50%
Tax Impact	$ 9,329	$ 9,037
Grossed-up Tax Amount	**$ 11,106**	**$ 10,695**

Tax Related Amounts Forecast from Capital Tax Rate Changes	$ -	$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	$ 11,106	$ 10,695
Total Tax Related Amounts	**$ 11,106**	**$ 10,695**
Incremental Tax Savings		**-$ 411**
Sharing of Tax Savings (50%)		**-$ 206**

5. Z-Factor Tax Changes

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Hearst Power Distribution Company Limited

This worksheet calculates a tax change volumetric rate rider. No input required. The outputs in column Q and S are to be entered into Sheet 17 of the 2012 IRM Rate Generator Model.

Rate Class	Total Revenue $ by Rate Class	Total Revenue % by Rate Class	Total Z-Factor Tax Change$ by Rate Class	Billed kWh	Billed kW	Distribution Volumetric Rate kWh Rate Rider	Distribution Volumetric Rate kW Rate Rider
	A	B = A / $H	C = $I * B	D	E	F = C / D	G = C / E
Residential	$660,546.8472	57.56%	-$118	26,267,362	0	$0.0000	
General Service Less Than 50 kW	$173,371	15.11%	-$31	12,405,535	0	$0.0000	
General Service 50 to 1,499 kW	$178,696	15.57%	-$32	0	53,176		-$0.0006
Intermediate With Self Generation	$68,101	5.93%	-$12	0	59,721		-$0.0002
Sentinel Lighting	$1,062	0.09%	$0	0	72		-$0.0026
Street Lighting	$65,795	5.73%	-$12	0	3,084		-$0.0038
	$1,147,571	100.00%	-$206				
	H		I				

Appendix 4 of 5

Revenue-to-Cost Ratio Adjustment

Ontario Energy Board

Revenue/Cost Ratio Model

Choose Your Utility:

Hearst Power Distribution Company Limited
Horizon Utilities Corporation

Application	ED-2002-0533
OEB Application	IRM3
LDC Licence #:	EB-2011-0171

Application Contact Information

Name:	Steven Blier
Title:	General Manager
Phone Number:	(705) 372-2815
Email Address:	sblier@hearstpower.com
We are applying for rates effective:	May 1, 2012
Last COS Re-based Year	2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

1. Info
2. Table of Contents
3. Re-Based Bill Det & Rates
4. Removal of Rate Adders
5. Re-Based Rev From Rates
6. Decision Cost Revenue Adj
7. Revenue Offsets Allocation
8. Transformer Allowance
9. R C Ratio Revenue
10. Proposed R C Ratio Adj
11. Proposed Revenue
12. Proposed F V Rev Alloc
13. Proposed F V Rates
14. Adjust To Proposed Rates

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

The purpose of this sheet is to set up the rate classes, enter the re-based billing determinants from your last cost of service application and enter the current service charge and volumetric distribution rates as found on your May 1, 2011 (or subsequent) Tariff of rates and charges.

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Current Tariff Service Charge D	Current Tariff Distribution Volumetric Rate kWh E	Current Tariff Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	2,322	26,267,362		9.00	0.0156	
GSLT50	General Service Less Than 50 kW	Customer	kWh	391	12,405,535		19.50	0.0066	
GSGT50	General Service 50 to 1,499 kW	Customer	kW	38		53,176	66.00		2.7945
GSGT50	Intermediate With Self Generatior	Customer	kW	3		59,721	220.00		1.0077
Sen	Sentinel Lighting	Connection	kW	10		72	7.00		3.0778
SL	Street Lighting	Connection	kW	922		3,084	5.50		1.6027
NA	Rate Class 7	NA	NA						
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

The purpose of this sheet is to remove any rate adders included in current rates. Most applicants will not need to make an entry on this sheet.

Rate Class	Current Tariff Service Charge A	Current Tariff Distribution Volumetric Rate kWh B	Current Tariff Distribution Volumetric Rate kW C	Service Charge Rate Adders D	Distribution Volumetric kWh Rate Adders E	Distribution Volumetric kW Rate Adders F
Residential	9.00	0.0156	0.0000	0.00	0.0000	0.0000
General Service Less Than 50 kW	19.50	0.0066	0.0000	0.00	0.0000	0.0000
General Service 50 to 1,499 kW	66.00	0.0000	2.7945	0.00	0.0000	0.0000
Intermediate With Self Generation	220.00	0.0000	1.0077	0.00	0.0000	0.0000
Sentinel Lighting	7.00	0.0000	3.0778	0.00	0.0000	0.0000
Street Lighting	5.50	0.0000	1.6027	0.00	0.0000	0.0000

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

The purpose of this sheet is to calculate current revenue from rate classes.

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Current Base Service Charge D	Current Base Distribution Volumetric Rate kWh E	Current Base Distribution Volumetric Rate kW F	Service Charge Revenue G = A * D *12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requirement from Rates I
Residential	2,322	26,267,362	0	9.00	0.0156	0.0000	250,776	409,771	0	660,547
General Service Less Than 50 kW	391	12,405,535	0	19.50	0.0066	0.0000	91,494	81,877	0	173,371
General Service 50 to 1,499 kW	38	0	53,176	66.00	0.0000	2.7945	30,096	0	148,600	178,696
Intermediate With Self Generation	3	0	59,721	220.00	0.0000	1.0077	7,920	0	60,181	68,101
Sentinel Lighting	10	0	72	7.00	0.0000	3.0778	840	0	222	1,062
Street Lighting	922	0	3,084	5.50	0.0000	1.6027	60,852	0	4,943	65,795
							441,978	491,647	213,946	1,147,571

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

The purpose of this sheet is to enter the Revenue Cost Ratios as determined from column G on Sheet "C1.5 Proposed R C Ratio Adj" of the applicant's 2011 IRM3 Supplemental Filing Module or 2011 COS Decision and Order.

Under the column labeled "Direction", the applicant can choose "No Change" (i.e: no change in that rate class ratio), "Change" (i.e: Board ordered change from COS decision) or "Rebalance" (i.e: to apply any offset adjustments required).

Rate Class	Direction	Current Year 2011	Transition Year 1 2012	Transition Year 2 2013	Transition Year 3 2014	Transition Year 4 2015	Transition Year 5 2016
Residential	Rebalance	98.00%	tbd	tbd	tbd	tbd	tbd
General Service Less Than 50 kW	No Change	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Service 50 to 1,499 kW	Change	222.00%	180.00%	tbd	tbd	tbd	tbd
Intermediate With Self Generation	No Change	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Sentinel Lighting	No Change	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Street Lighting	Change	50.00%	70.00%	70.00%	70.00%	70.00%	70.00%

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

The purpose of this sheet is to allocate the Revenue Offsets (miscellaneous revenue, cell F47) found in the last COS to the various rate classes in proportion to the allocation from the Cost Allocation informational filing.

Rate Class	Informational Filing Revenue Offsets	Percentage Split	Allocated Revenue Offsets
	A	C= A / B	E = D * C
Residential	45,166	65.55%	45,166
General Service Less Than 50 kW	13,725	19.92%	13,725
General Service 50 to 1,499 kW	6,295	9.14%	6,295
Intermediate With Self Generation	1,773	2.57%	1,773
Sentinel Lighting	36	0.05%	36
Street Lighting	1,911	2.77%	1,911
	68,906	100.00%	68,906
	B		D

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

The purpose of this sheet is to remove the transformer allowance from volumetric rates. In Cell E47, enter your Transformer Allowance as per your 2011 IRM3 Supplemental Filing Module or your last CoS Decision. Under the column labeled "Transformer Allowance in Rates" select "Yes" if included in that rate class or "No" if not included. Once selected, apply the update button to reveal input cells in which you can enter the number of kW's and the transfromer rate for each rate class.

Rate Class	Transformer Allowance In Rate	Transformer Allowance A	Transformer Allowance kW's C	Transformer Allowance Rate E	Volumetric Distribution Rate F	Billed kW's G	Adjusted Volumetric Distribution Rate I =(F * (G - C) + (F - E) * C) / G
Residential		0	0	0.0000	0.0000	0	0.0000
General Service Less Than 50 kW		0	0	0.0000	0.0000	0	0.0000
General Service 50 to 1,499 kW	Yes	14,474	32,164	0.4500	2.7945	53,176	2.5223
Intermediate With Self Generation	Yes	25,673	57,051	0.4500	1.0077	59,721	0.5778
Sentinel Lighting		-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-
		40,147	89,216			112,897	
		B	D			H	
		- 0					

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

The purpose of this sheet is to calculate revenue by rate class that inlcudes Revenue Offsets and excludes Transformer Allowance prior to Revenue Cost Ratio Adjustment re-allocation.

Rate Class	Billed Customers or Connections A	Billed kWh B	Billed kW C		Base Service Charge D	Base Distribution Volumetric Rate kWh E	Base Distribution Volumetric Rate kW F	Service Charge *12	Distribution Volumetric Rate kWh H = B * E	Distribution Volumetric Rate kW I = C * F	Revenue Requirement from Rates J = G + H + I
Residential	2,322	26,267,362	0	0	9.00	0.0156	0.0000	250,776	409,771	0	660,547
General Service Less Than 50 kW	391	12,405,535	0	0	19.50	0.0066	0.0000	91,494	81,877	0	173,371
General Service 50 to 1,499 kW	38	0	53,176	0	66.00	0.0000	2.5223	30,096	0	134,126	164,222
Intermediate With Self Generation	3	0	59,721	0	220.00	0.0000	0.5778	7,920	0	34,508	42,428
Sentinel Lighting	10	0	72	0	7.00	0.0000	3.0778	840	0	222	1,062
Street Lighting	922	0	3,084	0	5.50	0.0000	1.6027	60,852	0	4,943	65,795
								441,978	491,647	173,799	1,107,424

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed Revenue Cost Ratio Adjustment

Rate Class	Adjusted Revenue A	Current Revenue Cost Ratio B	Re-Allocated Cost C = A / B	Proposed Revenue Cost Ratio D	Final Adjusted Revenue E = C * D	Dollar Change F = E - C	Percentage Change G = (E / C) - 1
Residential	$ 705,713	0.98	$ 720,115	0.99	$ 710,891	$ 5,178	0.7%
General Service Less Than 50 kW	$ 187,096	1.00	$ 187,096	1.00	$ 187,096	$ -	0.0%
General Service 50 to 1,499 kW	$ 170,517	2.22	$ 76,810	1.80	$ 138,257	-$ 32,260	-18.9%
Intermediate With Self Generation	$ 44,201	0.80	$ 55,251	0.80	$ 44,201	$ 0	0.0%
Sentinel Lighting	$ 1,098	0.70	$ 1,568	0.70	$ 1,098	-$ 0	0.0%
Street Lighting	$ 67,706	0.50	$ 135,411	0.70	$ 94,788	$ 27,082	40.0%
	$ 1,176,330		$ 1,176,251		$ 1,176,330	$ 0	0.0%

Out of Balance - **0**

Final ? Yes

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed Revenue from Revenue Cost Ratio Adjustment

Rate Class	Adjusted Revenue By Revenue Cost Ratio A	Allocated Re-Based Revenue Offsets B	Revenue Requirement from Rates Before Transformer Allowance C = A - B	Re-based Transformer Allowance D	Revenue Requirement from Rates E = C + D
Residential	$ 710,891	$ 45,166	$ 665,725	$ -	$ 665,725
General Service Less Than 50 kW	$ 187,096	$ 13,725	$ 173,371	$ -	$ 173,371
General Service 50 to 1,499 kW	$ 138,257	$ 6,295	$ 131,962	$ 14,474	$ 146,436
Intermediate With Self Generation	$ 44,201	$ 1,773	$ 42,428	$ 25,673	$ 68,101
Sentinel Lighting	$ 1,098	$ 36	$ 1,062	$ -	$ 1,062
Street Lighting	$ 94,788	$ 1,911	$ 92,877	$ -	$ 92,877
	$ 1,176,330	$ 68,906	$ 1,107,424	$ 40,147	$ 1,147,571

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed fixed and variable revenue allocation

Rate Class	Revenue Requirement from Rates	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenue Requirement from Rates by Rate Class
	A	B	C	D	E = A * B	F = A * C	G = A * D	H = E + F + G
Residential	$ 665,725	38.0%	62.0%	0.0%	$ 252,742	$ 412,983	$ -	$ 665,725
General Service Less Than 50 kW	$ 173,371	52.8%	47.2%	0.0%	$ 91,494	$ 81,877	$ -	$ 173,371
General Service 50 to 1,499 kW	$ 146,436	16.8%	0.0%	83.2%	$ 24,663	$ -	$ 121,774	$ 146,436
Intermediate With Self Generation	$ 68,101	11.6%	0.0%	88.4%	$ 7,920	$ -	$ 60,181	$ 68,101
Sentinel Lighting	$ 1,062	79.1%	0.0%	20.9%	$ 840	$ -	$ 222	$ 1,062
Street Lighting	$ 92,877	92.5%	0.0%	7.5%	$ 85,900	$ -	$ 6,977	$ 92,877
	$ 1,147,571				$ 463,558	$ 494,859	$ 189,153	$ 1,147,571

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed fixed and variable rates

Rate Class	Service Charge Revenue A	Distribution Volumetric Rate Revenue kWh B	Distribution Volumetric Rate Revenue kW C	Re-based Billed Customers or Connections D	Re-based Billed kWh E	Re-based Billed kW F	Proposed Base Service Charge G = A / D / 12	Proposed Base Distribution Volumetric Rate kWh H = B / E	Proposed Base Distribution Volumetric Rate kW I = C / F
Residential	$ 252,742	$ 412,983	$ -	2,322	26,267,362	0	9.07	0.0157	-
General Service Less Than 50 kW	$ 91,494	$ 81,877	$ -	391	12,405,535	0	19.50	0.0066	-
General Service 50 to 1,499 kW	$ 24,663	$ -	$ 121,774	38	0	53,176	54.09	-	2.2900
Intermediate With Self Generation	$ 7,920	$ -	$ 60,181	3	0	59,721	220.00	-	1.0077
Sentinel Lighting	$ 840	$ -	$ 222	10	0	72	7.00	-	3.0778
Street Lighting	$ 85,900	$ -	$ 6,977	922	0	3,084	7.76	-	2.2624

Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed adjustments to Base Service Charge and Distribution Volumetric Rate. Enter the adjustments found in column M and N below into Sheet 17 of the 2012 IRM Rate Generator Model.

Rate Class	Proposed Base Service Charge	Proposed Base Distribution Volumetric Rate kWh	Proposed Base Distribution Volumetric Rate kW	Current Base Service Charge	Current Base Distribution Volumetric Rate kWh	Current Base Distribution Volumetric Rate kW	Adjustment Required Base Service Charge	Adjustment Required Base Distribution Volumetric Rate kWh	Adjustment Required Base Distribution Volumetric Rate kW
	A	B	C	D	E	F	G = A - D	H = B - E	I = C - F
Residential	$ 9.07	$ 0.0157	$ -	$ 9.00	$ 0.0156	$ -	$ 0.07	$ 0.0001	$ -
General Service Less Than 50 kW	$ 19.50	$ 0.0066	$ -	$ 19.50	$ 0.0066	$ -	$ -	$ -	$ -
General Service 50 to 1,499 kW	$ 54.09	$ -	$ 2.2900	$ 66.00	$ -	$ 2.7945	-$ 11.91	$ -	-$ 0.5045
Intermediate With Self Generation	$ 220.00	$ -	$ 1.0077	$ 220.00	$ -	$ 1.0077	$ -	$ -	$ -
Sentinel Lighting	$ 7.00	$ -	$ 3.0778	$ 7.00	$ -	$ 3.0778	$ -	$ -	$ -
Street Lighting	$ 7.76	$ -	$ 2.2624	$ 5.50	$ -	$ 1.6027	$ 2.26	$ -	$ 0.6597

Appendix 5 of 5

ED Rate Generator

ED Rate Generator release 1.0 © Elenchus Research Associates

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Distributor Information

Distributor Name	**Hearst Power Distribution Company Limited**
OEB Licence Number	**ED-2002-0533**
OEB File Number	**EB-2011-1264**
This Application Type	**IRM3**
This Application Effective Date	**May 1, 2012**
Last COS Re-based Year	**2010**
Last COS OEB Application Number	**EB-2009-0266**

ED Rate Generator release 1.0 © Elenchus Research Associates

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Shared Tax Savings

Shared Tax Savings - Calculation	Hide
Shared Tax Savings - Rate Rider	Hide

Applied for Rate Riders	Amount Requested	Use
LRAM	33,962	Yes
Deferral/Variance Account Disposition (2010)		Yes
Deferral/Variance Account Disposition (2012)	(698,544)	Yes
	0	No
	0	No
	0	No
	0	No
	0	No
	0	No
	0	No
	0	No

Distribution Global Adjustment To Non-RPP	All kWh

ED Rate Generator release 1.0 © Elenchus Research Associates

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Table of Contents

Sheet Name	Purpose of Sheet
A1.1 Distributor Information	Enter LDC Data
A1.2 This Application	This Application Detail
A2.1 Table of Contents	Table of Contents
B1.1 Rate Classes	Set Up Rate Classes
B1.2 Charge Parameters	Enter Rebased, RRR and Forecasted Charge Parameters
B1.3 Curr Distribution Charges	Enter Distribution Charge Detail
B1.4 Curr Rate Adder Detail	Enter Rate Adder Detail
B1.5 Curr Rate Rider Detail	Enter Rate Rider Detail
B1.6 Curr GA To Non-RPP Cust	Enter Global Adjustment To Non-RPP Customers Detail
B1.7 Curr RTSR Rates	Enter Current Retail Transmission Service Rates
B1.8 Curr Regulatory Rates	Enter Current Wholesale Market Service Rates
B1.9 Curr Other TS Data	Enter Current Other Tariff Sheet Data
B1.10 Curr Spec Srvc Charges	Enter Current Specific Service Charges
B1.11 Curr Retail Srvc Charges	Enter Current Retail Service Charges
E1.2 Price Cap Adj 1	Cost of Service Adjustment
E1.3 Validate Price Adj 1	Validate Cost of Service Adjustment
G1.1 Prop Distribution Charges	Enter Proposed Distribution Charges
G1.2 Prop Rate Adder Detail	Enter Proposed Rate Adder Detail
G3.1 Calc Rate Rider 1	Calculate Rate Rider for LRAM
G3.2 Calc Rate Rider 2	Calculate Rate Rider for Deferral/Variance Account Disposition (2010)
G3.3 Calc Rate Rider 3	Calculate Rate Rider for Deferral/Variance Account Disposition (2012)
G1.3 Prop Rate Rider Detail	Enter Proposed Rate Rider Detail (not Including Global Adjustment To Non-RPP Customers
G1.4 Prop GA To Non-RPP Cust	Enter Proposed Rate Rider Detail for Global Adjustment To Non-RPP Customers
G1.5 Prop RTSR Rates	Enter Proposed Retail Transmission Service Rates
G1.6 Prop Regulatory Rates	Enter Proposed Wholesale Market Service Rates
G1.7 Prop Other TS Data	Enter Proposed Other Tariff Sheet Data
G1.8 Prop Spec Srvc Charges	Enter Proposed Specific Service Charges
G1.9 Prop Retail Srvc Charges	Enter Proposed Retail Service Charges
H1.1 Bill Impact Assumptions	Bill Impact Assumptions
H1.2 Calc Bill Impact - RPP	Calculation of Bill Impact - RPP
H1.3 Calc Bill Impact - TOU	Calculation of Bill Impact - TOU
H1.4 Calc Bill Impact - Non-RPP	Calculation of Bill Impact - Non-RPP

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Rate Class Selection

Rate Group	Rate Class	Fixed Metric	Vol Metric
RES	Residential	Customer	kWh
GSLT50	General Service Less Than 50 kV	Customer	kWh
GSGT50	General Service 50 to 1,499 kW	Customer	kW
GSGT50	Intermediate Users	Customer	kW
Sen	Sentinel Lighting	Connection	kW
SL	Street Lighting	Connection	kW
mF	microFIT	Customer	
NA	Rate Class 8	NA	NA
NA	Rate Class 9	NA	NA
NA	Rate Class 10	NA	NA
NA	Rate Class 11	NA	NA
NA	Rate Class 12	NA	NA
NA	Rate Class 13	NA	NA
NA	Rate Class 14	NA	NA
NA	Rate Class 15	NA	NA
NA	Rate Class 16	NA	NA
NA	Rate Class 17	NA	NA
NA	Rate Class 18	NA	NA
NA	Rate Class 19	NA	NA
NA	Rate Class 20	NA	NA
NA	Rate Class 21	NA	NA
NA	Rate Class 22	NA	NA
NA	Rate Class 23	NA	NA
NA	Rate Class 24	NA	NA
NA	Rate Class 25	NA	NA

B1.1 Rate Classes

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Charge Parameters

Last COS Re-based Year	**2010**
Last COS OEB Application Number	**EB-2009-0266**

	Charge Parameters for Impact Analysis			Threshold Parameters for Impact		Non-RPP	
Rate Class	**Billed Customers or Connections**	**Billed kWh**	**Billed kW**	**Average Billed kWh**	**Average Billed kW**	**Billed kWh**	**Billed kW**
Residential	2,292	25,225,707	0	917	0	1,577,596	0
General Service Less Than 50 kW	401	11,529,904	0	2,396	0	1,116,135	0
General Service 50 to 1,499 kW	38	17,814,537	49,410	39,067	108	16,326,499	45,283
Intermediate Users	3	18,248,907	59,337	506,914	1,648	18,248,907	59,337
Sentinel Lighting	10	20,027	57	167	0	0	0
Street Lighting	922	1,008,852	3,092	91	0	1,008,852	3,092
microFIT	0	0	0	0	0	0	0

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Current Distribution Charges

Monthly Fixed Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	Customer	Customer	Customer	Customer	Connection	Connection	Customer
Monthly Service Charge	9.00	19.50	66.00	220.00	7.00	5.50	5.25
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Volumetric Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	kWh	kWh	kW	kW	kW	kW	0
Distribution Volumetric Charge	0.0156	0.0066	2.7945	1.0077	3.0778	1.6027	0.0000
Low Voltage Service Rate	0.0007	0.0006	0.2270	0.2677	0.1791	0.1755	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Current Rate Adder Detail

Monthly Fixed Charges

	Embedded or On Tariff	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
		Customer	Customer	Customer	Customer	Connection	Connection	Customer
Smart Meter Funding Adder	On Tariff	2.50	2.50	2.50	2.50	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Used in Bill Impact Calculation		2.50	2.50	2.50	2.50	0.00	0.00	0.00

Volumetric Charges

	Embedded or On Tariff	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
		kWh	kWh	kW	kW	kW	kW	0
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Used in Bill Impact Calculation		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Current Rate Rider Detail (not Including Global Adjustment To Non-RPP Customers)

Monthly Fixed Charges

	Effective until	Include (✔) Exclude (✕) From Bill Impacts	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
			Customer	Customer	Customer	Customer	Connection	Connection	Customer
Recovery of Late Payment Penalty Litigation Costs	April 30, 2012	✔	0.30	0.54	5.35	26.28	0.16	0.02	0.00
Recovery of Foregone Revenue	April 30, 2012	✔	0.24	2.24	5.63	25.06	0.46	0.69	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Used in Bill Impact Calculation			0.54	2.78	10.98	51.34	0.62	0.71	0.00

Volumetric Charges

	Effective until	Include (✔) Exclude (✕) From Bill Impacts	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
			kWh	kWh	kW	kW	kW	kW	0
Deferral/Variance Account Disposition (2010)	April 30, 2013	✔	(0.0043)	(0.0040)	(1.3889)	(1.2268)	(5.5214)	(3.1332)	0.0000
Recovery of Foregone Revenue	April 30, 2012	✔	0.0009	(0.0004)	0.0079	0.0671	0.2111	0.0772	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Used in Bill Impact Calculation			(0.0034)	(0.0044)	(1.3810)	(1.1597)	(5.3103)	(3.0560)	0.0000

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Current Rate Rider Detail for Global Adjustment To Non-RPP Customers

Electricity Component

	Effective until	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
		kWh	kWh	kWh	kWh	kWh	kWh	kWh
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Delivery Component

	Effective until	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
		kWh	kWh	kWh	kWh	kWh	kWh	kWh
Global Adjustment Sub-Account Disposition	April 30, 2012	0.0051	0.0051	0.0051	0.0051	0.0051	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Current Retail Transmission Service Rates

Monthly Fixed Charges

Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
Customer	Customer	Customer	Customer	Connection	Connection	Customer
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00

Volumetric Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	kWh	kWh	kW	kW	kW	kW	0
Network Service Rate	0.0052	0.0047	1.9563	2.1880	1.4829	1.4753	0.0000
Line and Transformation Connection Service Rate	0.0044	0.0040	1.5861	1.8708	1.2404	1.2151	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0096	0.0087	3.5424	4.0588	2.7233	2.6904	0.0000

Volumetric Charges Override For Bill Impact

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
Overrride	No	No	No	No	No	No	No
Network Service Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Line and Transformation Connection Service Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Current Wholesale Market Service Rates

Monthly Fixed Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	$	$	$	$	$	$	$
Standard Supply Service – Administrative Charge (if applicable)	0.25	0.25	0.25	0.25	0.25	0.25	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.25	0.25	0.25	0.25	0.25	0.25	0.00

Volumetric Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	kWh	kWh	kWh	kWh	kWh	kWh	kWh
Wholesale Market Service Rate	0.0052	0.0052	0.0052	0.0052	0.0052	0.5200	0.0000
Rural Rate Protection Charge	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0065	0.0065	0.0065	0.0065	0.0065	0.5213	0.0000

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Current Other Tariff Sheet Data

ALLOWANCES	Metric	Current
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.45)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)

LOSS FACTORS	Current
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0460
Total Loss Factor - Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0356
Total Loss Factor - Primary Metered Customer > 5,000 kW	N/A

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Current Specific Service Charges

Customer Administration	Metric	Current
Arrears certificate	$	15.00
Easement letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00

Non-Payment of Account	Metric	Current
Late Payment - per annum	%	1.50
Late Payment - per month	%	19.56
Collection of account charge - no disconnection	$	30.00
Disconnect/Reconnect at meter - during regular hours	$	40.00
Disconnect/Reconnect at pole - after regular hours	$	time and materials

	Metric	Current
Install/Remove load control device - during regular hours	$	40.00
Temporary service install & remove - overhead - no transformer	$	time and materials
Temporary service install & remove - underground - no transformer	$	time and materials
Specific Charge for Access to the Power Poles – $/per pole/year	$	22.35

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Current Retail Service Charges

Retail Service Charges (if applicable)	Metric		Current
Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity			
One-time charge, per retailer, to establish the service agreement between the distributor and the reta	$		100.00
Monthly Fixed Charge, per retailer	$		20.00
Monthly Variable Charge, per customer, per retailer	$/cust.		0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.		0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	-	0.30
Service Transaction Requests (STR)			
Request fee, per request, applied to the requesting party	$		0.25
Processing fee, per request, applied to the requesting party	$		0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party			
Up to twice a year			no charge
More than twice a year, per request (plus incremental delivery costs)	$		2.00

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Cost of Service Adjustment

Metric Applied To	All Rate Cls excl mF/SB
Rates Applied To	Uniform Fix/Vol %
Override Allowed	No
Uniform Percentage	.18%

Rate Class	Fixed Metric	Pre-Price Cap Adj Monthly Fixed Charges	% Adjustment	$ Adjustment	$ Override	Adjustment to Pre-Price Cap Adj Base
Residential	Customer	9.07	.18%	0.0163	0.0000	0.0163
General Service Less Than 50 kW	Customer	19.50	.18%	0.0351	0.0000	0.0351
General Service 50 to 1,499 kW	Customer	54.09	.18%	0.0974	0.0000	0.0974
Intermediate Users	Customer	220.00	.18%	0.3960	0.0000	0.3960
Sentinel Lighting	Connection	7.00	.18%	0.0126	0.0000	0.0126
Street Lighting	Connection	7.76	.18%	0.0140	0.0000	0.0140

Rate Class	Vol Metric	Pre-Price Cap Adj Distribution Volumetric Charge	% Adjustment	$ Adjustment	$ Override	Adjustment to Pre-Price Cap Adj Base
Residential	kWh	0.0157	.18%	0.0000	0.0000	0.0000
General Service Less Than 50 kW	kWh	0.0066	.18%	0.0000	0.0000	0.0000
General Service 50 to 1,499 kW	kW	2.2900	.18%	0.0041	0.0000	0.0041
Intermediate Users	kW	1.0077	.18%	0.0018	0.0000	0.0018
Sentinel Lighting	kW	3.0778	.18%	0.0055	0.0000	0.0055
Street Lighting	kW	2.2624	.18%	0.0041	0.0000	0.0041

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Validate Cost of Service Adjustment

Rate Class	Billed Customers or Connections	Billed kWh	Billed kW	Adjustment to Base Monthly Fixed Charges $	Adjustment to Base Distribution Volumetric Charge kWh	Adjustment to Base Distribution Volumetric Charge kW	Monthly Fixed Charges $	Distribution Volumetric Charge kWh	Distribution Volumetric Charge kW	Total Adjustment To Base
Residential	2,292	25,225,707	0	0.02	0.0000	0.0000	449	714	0	1,163
General Service Less Than 50 kW	401	11,529,904	0	0.04	0.0000	0.0000	169	137	0	306
General Service 50 to 1,499 kW	38	17,814,537	49,410	0.10	0.0000	0.0041	44	0	204	248
Intermediate Users	3	18,248,907	59,337	0.40	0.0000	0.0018	14	0	108	122
Sentinel Lighting	10	20,027	57	0.01	0.0000	0.0055	2	0	0	2
Street Lighting	922	1,008,852	3,092	0.01	0.0000	0.0041	155	0	13	167
microFIT	0	0	0	0.00	0.0000	0.0000	0	0	0	0
							833	851	324	2,008

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Proposed Distribution Charges

Monthly Fixed Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	Customer	Customer	Customer	Customer	Connection	Connection	Customer
Monthly Service Charge	9.09	19.54	54.18	220.40	7.01	7.78	5.25
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Volumetric Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	kWh	kWh	kW	kW	kW	kW	0
Distribution Volumetric Charge	0.0158	0.0066	2.2941	1.0095	3.0833	2.2665	0.0000
Low Voltage Service Rate	0.0007	0.0006	0.2270	0.2677	0.1791	0.1755	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Proposed Rate Adder Detail

Monthly Fixed Charges

	Embedded or On Tariff	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
		Customer	Customer	Customer	Customer	Connection	Connection	Customer
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total used in Bill Impact Calculation		0.00	0.00	0.00	0.00	0.00	0.00	0.00

Volumetric Charges

	Embedded or On Tariff	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
		kWh	kWh	kW	kW	kW	kW	0
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total used in Bill Impact Calculation		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Rate Rider for: LRAM

Amount To Be Recovered	33,962	A
Start Date	May 1, 2012	
End Date	April 30, 2013	
Number of Months	12	B
Include in Bill Impact	**Yes**	
Rate Class Selection	Unique	
Applied to	Volumetric	

Rate Class	Vol Metric	Billed kWh C	Billed kW D	Total Revenue E	Total Revenue G = E / F	Total Revenue Allocated For Recovery H = A * G	Distribution Volumetric Charge kWh I = H / C / B * 12	Distribution Volumetric Charge kW J = H / D / B * 12
Residential	kWh	19,868,483	0	21,402	90.12%	30,606	0.0015	0.0000
General Service Less Than 50 kW	kWh	4,729,493	0	1,369	5.76%	1,958	0.0004	0.0000
General Service 50 to 1,499 kW	kW	0	11,793	978	4.12%	1,398	0.0000	0.1186
Intermediate Users	kW	0	0	0	0.00%	0	0.0000	0.0000
Sentinel Lighting	kW	0	0	0	0.00%	0	0.0000	0.0000
Street Lighting	kW	0	0	0	0.00%	0	0.0000	0.0000
microFIT	0	0	0	0	0.00%	0	0.0000	0.0000
		24,597,976	11,793	23,749	100.00%	33,962		
				F				

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Rate Rider for: Deferral/Variance Account Disposition (2010)

Amount To Be Recovered	0	A
Start Date	May 1, 2012	
End Date	April 30, 2013	
Number of Months	12	B
Include in Bill Impact	**Yes**	
Rate Class Selection	Continuing	
Applied to	Volumetric	

Rate Class	Vol Metric	Distribution Volumetric Charge kWh	Distribution Volumetric Charge kW
Residential	kWh	(0.0043)	0.0000
General Service Less Than 50 kW	kWh	(0.0040)	0.0000
General Service 50 to 1,499 kW	kW	0.0000	(1.3889)
Intermediate Users	kW	0.0000	(1.2268)
Sentinel Lighting	kW	0.0000	(5.5214)
Street Lighting	kW	0.0000	(3.1332)
microFIT	0	0.0000	0.0000

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Rate Rider for: Deferral/Variance Account Disposition (2012)

Amount To Be Recovered	(698,544)	A
Start Date	May 1, 2012	
End Date	April 30, 2016	
Number of Months	48	B
Include in Bill Impact	**Yes**	
Rate Class Selection	Unique	
Applied to	Volumetric	

Rate Class	Vol Metric	Billed kWh C	Billed kW D	Total Revenue E	Total Revenue G = E / F	Total Revenue Allocated For Recovery H = A * G	Distribution Volumetric Charge kWh I = H / C / B * 12	Distribution Volumetric Charge kW J = H / D / B * 12
Residential	kWh	25,225,707	0	-238,134	34.09%	(238,134)	(0.0024)	0.0000
General Service Less Than 50 kW	kWh	11,529,904	0	-109,074	15.61%	(109,074)	(0.0024)	0.0000
General Service 50 to 1,499 kW	kW	17,814,537	49,410	-168,687	24.15%	(168,687)	0.0000	(0.8535)
Intermediate Users	kW	18,248,907	59,337	-173,006	24.77%	(173,007)	0.0000	(0.7289)
Sentinel Lighting	kW	20,027	57	-188	0.03%	(188)	0.0000	(0.8250)
Street Lighting	kW	1,008,852	3,092	-9,453	1.35%	(9,453)	0.0000	(0.7643)
microFIT	0	0	0	0	0.00%	0	0.0000	0.0000
				-698,544	100.00%	(698,544)		
				F				

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Proposed Rate Rider Detail (not Including Global Adjustment To Non-RPP Customers)

Monthly Fixed Charges

	Effective until	Include In Bill Impact	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
			Customer	Customer	Customer	Customer	Connection	Connection	Customer
LRAM	April 30, 2013	**Yes**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferral/Variance Account Disposition (2010)	April 30, 2013	**Yes**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferral/Variance Account Disposition (2012)	April 30, 2016	**Yes**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total used in Bill Impact Calculation			0.00	0.00	0.00	0.00	0.00	0.00	0.00

Volumetric Charges

	Effective until	Include In Bill Impact	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
			kWh	kWh	kW	kW	kW	kW	0
LRAM	April 30, 2013	**Yes**	0.0015	0.0004	0.1186	0.0000	0.0000	0.0000	0.0000
Deferral/Variance Account Disposition (2010)	April 30, 2013	**Yes**	(0.0043)	(0.0040)	(1.3889)	(1.2268)	(5.5214)	(3.1332)	0.0000
Deferral/Variance Account Disposition (2012)	April 30, 2016	**Yes**	(0.0024)	(0.0024)	(0.8535)	(0.7289)	(0.8250)	(0.7643)	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total used in Bill Impact Calculation			(0.0051)	(0.0060)	(2.1239)	(1.9557)	(6.3464)	(3.8975)	0.0000

Proposed Rate Rider Detail for Global Adjustment To Non-RPP Customers

Electricity Component

	Effective until	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
		kWh	kWh	kWh	kWh	kWh	kWh	kWh
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Delivery Component

	Effective until	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
		kWh	kWh	kWh	kWh	kWh	kWh	kWh
Global Adjustment Sub-Account Disposition (2012)	April 13, 2013	0.0020	0.0020	0.0020	0.0020	0.0000	0.0020	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
		0.0020	0.0020	0.0020	0.0020	0.0000	0.0020	0.0000

Proposed Retail Transmission Service Rates

Monthly Fixed Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	Customer	Customer	Customer	Customer	Connection	Connection	Customer
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Volumetric Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	kWh	kWh	kW	kW	kW	kW	0
Network Service Rate	0.0053	0.0048	1.9983	2.2350	1.5147	1.5070	0.0000
Line and Transformation Connection Service Rate	0.0044	0.0040	1.5826	1.8666	1.2376	1.2124	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Volumteric Charge Override for Bill Impact

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
Override	No	No	No	No	No	No	No
Network Service Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Line and Transformation Connection Service Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Proposed Wholesale Market Service Rates

Monthly Fixed Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	$	$	$	$	$	$	$
Standard Supply Service – Administrative Charge (if applicable) $	0.25	0.25	0.25	0.25	0.25	0.25	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.25	0.25	0.25	0.25	0.25	0.25	0.00

Volumetric Charges

	Residential	General Service Less Than 50 kW	General Service 50 to 1,499 kW	Intermediate Users	Sentinel Lighting	Street Lighting	microFIT
	kWh	kWh	kWh	kWh	kWh	kWh	kWh
Wholesale Market Service Rate	0.0052	0.0052	0.0052	0.0052	0.0052	0.5200	0.0000
Rural Rate Protection Charge	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0065	0.0065	0.0065	0.0065	0.0065	0.5213	0.0000

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Proposed Other Tariff Sheet Data

Applicant requesting change to Other Tariff Sheet Data: No

ALLOWANCES	Metric	Current	Proposed
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.45)	(0.45)
Primary Metering Allowance for transformer losses - applied to measured demand and energ	%	(1.00)	(1.00)

LOSS FACTORS	Current	Proposed
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0460	1.0460
Total Loss Factor - Secondary Metered Customer > 5,000 kW	N/A	N/A
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0356	1.0356
Total Loss Factor - Primary Metered Customer > 5,000 kW	N/A	N/A

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Proposed Specific Service Charges

Applicant requesting change to Specific Service Charges: No

Customer Administration	Metric	Current	Proposed
Arrears certificate	$	15.00	15.00
Easement letter	$	15.00	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00	15.00
Returned cheque charge (plus bank charges)	$	15.00	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00	30.00
Special meter reads	$	30.00	30.00

Non-Payment of Account	Metric	Current	Proposed
Late Payment - per annum	%	1.50	1.50
Late Payment - per month	%	19.56	19.56
Collection of account charge - no disconnection	$	30.00	30.00
Disconnect/Reconnect at meter - during regular hours	$	40.00	40.00
Disconnect/Reconnect at pole - after regular hours	$	time and materials	time and mate

	Metric	Current	Proposed
Install/Remove load control device - during regular hours	$	40.00	40.00
Temporary service install & remove - overhead - no transformer	$	time and materials	time and mate
Temporary service install & remove - underground - no transformer	$	time and materials	time and mate
Specific Charge for Access to the Power Poles – $/per pole/year	$	22.35	22.35

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Proposed Retail Service Charges

Applicant Requesting Change To Retail Service Charges: No

Retail Service Charges (if applicable)	Metric	Current	Proposed
Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity			
One-time charge, per retailer, to establish the service agreement between the distributor and the reta	$	100.00	100.00
Monthly Fixed Charge, per retailer	$	20.00	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	- 0.30	- 0.30
Service Transaction Requests (STR)			
Request fee, per request, applied to the requesting party	$	0.25	0.25
Processing fee, per request, applied to the requesting party	$	0.50	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party			
Up to twice a year		no charge	no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00	2.00

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Bill Impact Assumptions

Electricity RPP	Current		Proposed	
RPP Residential Tier One - Summer	600	kWh	600	kWh
RPP Residential Tier One - Winter	1,000	kWh	1,000	kWh
RPP Non-Residential Tier One - Annual	750	kWh	750	kWh
RPP Tier One $/kWh	0.0680		0.0680	
RPP Tier Two $/kWh	0.0790		0.0790	
RPP TOU				
On-Peak $/kWh	0.1070		0.1070	
Mid-Peak $/kWh	0.0890		0.0890	
Off-Peak $/kWh	0.0590		0.0590	
RPP TOU				
On-Peak	18.0%		18.0%	
Mid-Peak	18.0%		18.0%	
Off-Peak	64.0%		64.0%	
Non-RPP				
Forecast Wholesale Electricity Price ($ / MWh)	40.15		40.15	
Impact of the Global Adjustment ($ / MWh)	28.22		28.22	
	68.37		68.37	
Special Purpose Charge	0.0000		0.0000	
Debt Retirement Charge	0.0070		0.0070	
Harmonized Sales Tax	13.0%		13.0%	
Ontario Clean Energy Benefit	-10.0%		-10.0%	

Table ES-1: Average RPP Supply Cost Summary (for the 12 months from May 1, 2011)

RPP Supply Cost Summary for the period from May 1, 2011 through April 30, 2012		
Forecast Wholesale Electricity Price		$40.15
Load-Weighted Price for RPP Consumers ($ / MWh)		$43.41
Impact of the Global Adjustment ($ / MWh)	+	$28.22
Total Contract Cost		$71.27
Market Value		($43.05)
Adjustment to Address Bias Towards Unfavourable Variance ($ / MWh)	+	$1.00
Adjustment to Clear Existing Variance ($ / MWh)	+	$0.35
Average Supply Cost for RPP Consumers ($ / MWh)	=	**$72.98**

Table ES-2: Price Paid by Average RPP Consumer under Tiered and TOU RPP prices

Tiered RPP Prices	**Tier 1**	**Tier 2**	**Average Price**
Price	6.8¢	7.9¢	7.3¢
% of Consumption	58%	42%	

Time-of-Use RPP Prices	**Off-Peak**	**Mid-Peak**	**On-Peak**	**Average Price**
Price	5.9¢	8.9¢	10.7¢	7.3¢
% of Consumption	64%	18%	18%	

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Calculation of Bill Impact - RPP

RTSR Loss Adjusted Metered kWh	**Yes**
Residential Season	**Summer**

Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	$	9.00	9.09
Service Charge Rate Adder(s)	$	2.50	0.00
Service Charge Rate Rider(s)	$	0.54	0.00
Distribution Volumetric Rate	kWh	0.0156	0.0158
Distribution Volumetric Rate Adder(s)	kWh	0.0000	0.0000
Low Voltage Volumetric Rate	kWh	0.0007	0.0007
Distribution Volumetric Rate Rider(s)	kWh	(0.0034)	(0.0051)
Retail Transmission Rate – Network Service Rate	kWh	0.0052	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	kWh	0.0044	0.0044
Wholesale Market Service Rate	$/kWh	0.0052	0.0052
Rural Rate Protection Charge	$/kWh	0.0013	0.0013
Special Purpose Charge	$/kWh	0.0000	0.0000
Standard Supply Service – Administration Charge (if applicable)	$	0.25	0.25

Consumption	**800**	**kWh**	**0**	**kW**	
RPP Tier One	**600**	**kWh**	***Load Factor***		

Current Loss Factor	***1.0460***
Proposed Loss Factor	***1.0460***

Residential	Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Energy First Tier (kWh)	600	0.0680	40.80	600	0.0680	40.80	0.00	0.0%	41.30%
Energy Second Tier (kWh)	237	0.0790	18.71	237	0.0790	18.71	0.00	0.0%	18.94%
Sub-Total: Energy			**59.51**			**59.51**	**0.00**	**0.0%**	**60.24%**
Service Charge	1	9.00	9.00	1	9.09	9.09	0.09	1.0%	9.20%
Service Charge Rate Adder(s)	1	2.50	2.50	1	0.00	0.00	-2.50	(100.0)%	0.00%
Service Charge Rate Rider(s)	1	0.54	0.54	1	0.00	0.00	-0.54	(100.0)%	0.00%
Distribution Volumetric Rate	800	0.0156	12.48	800	0.0158	12.64	0.16	1.3%	12.80%
Distribution Volumetric Rate Adder(s)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	800	0.0007	0.56	800	0.0007	0.56	0.00	0.0%	0.57%
Distribution Volumetric Rate Rider(s)	800	-0.0034	-2.72	800	-0.0051	-4.08	-1.36	50.0%	-4.13%
Total: Distribution			**22.36**			**18.21**	**-4.15**	**(18.6)%**	**18.43%**
Retail Transmission Rate – Network Service Rate	837	0.0052	4.35	837	0.0053	4.44	0.09	2.1%	4.49%
Retail Transmission Rate – Line and Transformation Connection Service Rate	837	0.0044	3.68	837	0.0044	3.68	0.00	0.0%	3.73%
Total: Retail Transmission			**8.03**			**8.12**	**0.09**	**1.1%**	**8.22%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**30.39**			**26.33**	**-4.06**	**(13.4)%**	**26.65%**
Wholesale Market Service Rate	837	0.0052	4.35	837	0.0052	4.35	0.00	0.0%	4.40%
Rural Rate Protection Charge	837	0.0013	1.09	837	0.0013	1.09	0.00	0.0%	1.10%
Special Purpose Charge	837	0.0000	0.00	837	0.0000	0.00	0.00	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.25%
Sub-Total: Regulatory			**5.69**			**5.69**	**0.00**	**0.0%**	**5.76%**
Debt Retirement Charge (DRC)	800	0.0070	**5.60**	800	0.00700	**5.60**	**0.00**	**0.0%**	**5.67%**
Total Bill before Taxes			**101.19**			**97.13**	**-4.06**	**(4.0)%**	**98.33%**
HST	101.19	13%	**13.15**	97.13	13%	**12.63**	-0.52	**(4.0)%**	**12.79%**
Total Bill Before Adjustments			**114.34**			**109.76**	**-4.58**	**(4.0)%**	**111.11%**
Ontario Clean Energy Benefit	114.34	-10%	**-11.43**	109.76	-10%	**-10.98**	0.46	**(4.0)%**	**-11.11%**
Total Bill After Adjustments			**102.91**			**98.78**	**-4.12**	**(4.0)%**	**100.00%**

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Calculation of Bill Impact - TOU

RTSR Loss Adjusted Metered kWh	Yes

Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	$	9.00	9.09
Service Charge Rate Adder(s)	$	2.50	0.00
Service Charge Rate Rider(s)	$	0.54	0.00
Distribution Volumetric Rate	kWh	0.0156	0.0158
Distribution Volumetric Rate Adder(s)	kWh	0.0000	0.0000
Low Voltage Volumetric Rate	kWh	0.0007	0.0007
Distribution Volumetric Rate Rider(s)	kWh	(0.0034)	(0.0051)
Retail Transmission Rate – Network Service Rate	kWh	0.0052	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	kWh	0.0044	0.0044
Wholesale Market Service Rate	$/kWh	0.0052	0.0052
Rural Rate Protection Charge	$/kWh	0.0013	0.0013
Special Purpose Charge	$/kWh	0.0000	0.0000
Standard Supply Service – Administration Charge (if applicable)	$	0.25	0.25

Consumption	800	kWh	0	kW
			Load Factor	

Current Loss Factor	*1.0460*
Proposed Loss Factor	*1.0460*

Residential	Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Energy On-Peak	151	0.1070	16.12	151	0.1070	16.12	0.00	0.0%	16.05%
Energy Mid-Peak	151	0.0890	13.41	151	0.0890	13.41	0.00	0.0%	13.35%
Energy Off-Peak	536	0.0590	31.60	536	0.0590	31.60	0.00	0.0%	31.46%
Sub-Total: Energy			**61.13**			**61.13**	**0.00**	**0.0%**	**60.87%**
Service Charge	1	9.00	9.00	1	9.09	9.09	0.09	1.0%	9.05%
Service Charge Rate Adder(s)	1	2.50	2.50	1	0.00	0.00	-2.50	(100.0)%	0.00%
Service Charge Rate Rider(s)	1	0.54	0.54	1	0.00	0.00	-0.54	(100.0)%	0.00%
Distribution Volumetric Rate	800	0.0156	12.48	800	0.0158	12.64	0.16	1.3%	12.59%
Distribution Volumetric Rate Adder(s)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	800	0.0007	0.56	800	0.0007	0.56	0.00	0.0%	0.56%
Distribution Volumetric Rate Rider(s)	800	-0.0034	-2.72	800	-0.0051	-4.08	-1.36	50.0%	-4.06%
Total: Distribution			**22.36**			**18.21**	**-4.15**	**(18.6)%**	**18.13%**
Retail Transmission Rate – Network Service Rate	837	0.0052	4.35	837	0.0053	4.44	0.09	2.1%	4.42%
Retail Transmission Rate – Line and Transformation Connection Service Rate	837	0.0044	3.68	837	0.0044	3.68	0.00	0.0%	3.66%
Total: Retail Transmission			**8.03**			**8.12**	**0.09**	**1.1%**	**8.09%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**30.39**			**26.33**	**-4.06**	**(13.4)%**	**26.22%**
Wholesale Market Service Rate	837	0.0052	4.35	837	0.0052	4.35	0.00	0.0%	4.33%
Rural Rate Protection Charge	837	0.0013	1.09	837	0.0013	1.09	0.00	0.0%	1.09%
Special Purpose Charge	837	0.0000	0.00	837	0.0000	0.00	0.00	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.25%
Sub-Total: Regulatory			**5.69**			**5.69**	**0.00**	**0.0%**	**5.67%**
Debt Retirement Charge (DRC)	800	0.0070	**5.60**	800	0.00700	**5.60**	**0.00**	**0.0%**	**5.58%**
Total Bill before Taxes			**102.81**			**98.75**	**-4.06**	**(3.9)%**	**98.33%**
HST	102.81	13%	**13.37**	98.75	13%	**12.84**	**-0.53**	**(4.0)%**	**12.79%**
Total Bill Before Adjustments			**116.18**			**111.59**	**-4.59**	**(4.0)%**	**111.11%**
Ontario Clean Energy Benefit	116.18	-10%	**-11.62**	111.59	-10%	**-11.16**	**0.46**	**(4.0)%**	**-11.11%**
Total Bill After Adjustments			**104.56**			**100.43**	**-4.13**	**(3.9)%**	**100.00%**

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Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Calculation of Bill Impact - Non-RPP

RTSR Loss Adjusted Metered kWh	Yes

Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Global Adjustment Sub-Account Disposition - Electricity Component	kWh	0.0000	0.0000
Service Charge	$	9.00	9.09
Service Charge Rate Adder(s)	$	2.50	0.00
Service Charge Rate Rider(s)	$	0.54	0.00
Distribution Volumetric Rate	kWh	0.0156	0.0158
Distribution Volumetric Rate Adder(s)	kWh	0.0000	0.0000
Low Voltage Volumetric Rate	kWh	0.0007	0.0007
Global Adjustment Sub-Account Disposition - Delivery Component	kWh	0.0051	0.0020
Distribution Volumetric Rate Rider(s)	kWh	(0.0034)	(0.0051)
Retail Transmission Rate – Network Service Rate	kWh	0.0052	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	kWh	0.0044	0.0044
Wholesale Market Service Rate	$/kWh	0.0052	0.0052
Rural Rate Protection Charge	$/kWh	0.0013	0.0013
Special Purpose Charge	$/kWh	0.0000	0.0000
Standard Supply Service – Administration Charge (if applicable)	$	0.25	0.25

Consumption	800	kWh	0.0	kW
			Load Factor	

Current Loss Factor	*1.0460*
Proposed Loss Factor	*1.0460*

Residential	Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Forecast Wholesale Electricity Price	837	0.0402	33.60	837	0.0402	33.60	0.00	0.0%	34.26%
Impact of the Global Adjustment	837	0.0282	23.61	837	0.0282	23.61	0.00	0.0%	24.07%
Global Adjustment Sub-Account Disposition - Electricity Component	837	0.0000	0.00	837	0.0000	0.00	0.00	0.0%	0.00%
Sub-Total: Energy			**57.21**			**57.21**	**0.00**	**0.0%**	**58.34%**
Service Charge	1	9.00	9.00	1	9.09	9.09	0.09	1.0%	9.27%
Service Charge Rate Adder(s)	1	2.50	2.50	1	0.00	0.00	-2.50	(100.0)%	0.00%
Service Charge Rate Rider(s)	1	0.54	0.54	1	0.00	0.00	-0.54	(100.0)%	0.00%
Distribution Volumetric Rate	800	0.0156	12.48	800	0.0158	12.64	0.16	1.3%	12.89%
Distribution Volumetric Rate Adder(s)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	800	0.0007	0.56	800	0.0007	0.56	0.00	0.0%	0.57%
Global Adjustment Sub-Account Disposition - Delivery Component	800	0.0051	4.08	800	0.0020	1.60	-2.48	(60.8)%	1.63%
Distribution Volumetric Rate Rider(s)	800	-0.0034	-2.72	800	-0.0051	-4.08	-1.36	50.0%	-4.16%
Total: Distribution			**26.44**			**19.81**	**-6.63**	**(25.1)%**	**20.20%**
Retail Transmission Rate – Network Service Rate	837	0.0052	4.35	837	0.0053	4.44	0.09	2.1%	4.53%
Retail Transmission Rate – Line and Transformation Connection Service Rate	837	0.0044	3.68	837	0.0044	3.68	0.00	0.0%	3.75%
Total: Retail Transmission			**8.03**			**8.12**	**0.09**	**1.1%**	**8.28%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**34.47**			**27.93**	**-6.54**	**(19.0)%**	**28.48%**
Wholesale Market Service Rate	837	0.0052	4.35	837	0.0052	4.35	0.00	0.0%	4.44%
Rural Rate Protection Charge	837	0.0013	1.09	837	0.0013	1.09	0.00	0.0%	1.11%
Special Purpose Charge	837	0.0000	0.00	837	0.0000	0.00	0.00	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.25%
Sub-Total: Regulatory			**5.69**			**5.69**	**0.00**	**0.0%**	**5.80%**
Debt Retirement Charge (DRC)	800	0.0070	**5.60**	800	0.00700	**5.60**	**0.00**	**0.0%**	**5.71%**
Total Bill before Taxes			**102.97**			**96.43**	**-6.54**	**(6.4)%**	**98.33%**
HST	102.97	13%	**13.39**	96.43	13%	**12.54**	**-0.85**	**(6.3)%**	**12.79%**
Total Bill Before Adjustments			**116.36**			**108.97**	**-7.39**	**(6.4)%**	**111.11%**
Ontario Clean Energy Benefit	116.36	-10%	**-11.64**	108.97	-10%	**-10.90**	**0.74**	**(6.4)%**	**-11.11%**
Total Bill After Adjustments			**104.72**			**98.07**	**-6.65**	**(6.4)%**	**100.00%**

Exhibit 3

1562 DEFERRED PILS

Exhibit 3

Tab 1 of 2

1562 Deferred PILs

1562 Deferred PILs

Attachment 1 of 2

Updated SIMPILs Models

Disposition of Balance Recorded in Account 1562 Deferred P

Distributor	**Hearst Power Distribution Co. Ltd.**
OEB File Number	**EB-2011-0171**
Filing Year	**2002**

	A	B	C	D	E
1	**PILs TAXES**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Hearst Power Distribution Co. Ltd.**			Colour Code	
4	**Reporting period: 2002**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**BACKGROUND**				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,446,312	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			209,527	
42					
43	1999 return from RUD Sheet #7				0
44					
45	Total Incremental revenue			209,527	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			209,527	209,527
48	Amount allowed in 2002				0
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	**Total Regulatory Income**				209,527
55					
56	Equity			1,223,156	
57					
58	Return at target ROE			120,848	
59					
60	Debt			1,223,156	
61					
62	Deemed interest amount in 100% of MARR			88,679	
63					
64	Phase-in of interest - Year 1 (2001)			88,679	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			88,679	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			88,679	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			88,679	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2002**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	209,527		-121,314		88,213	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	132,380		40,547		172,927	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				2,722		2,722	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	107,588		126,740		234,328	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	88,679		-88,679		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		145,640		-116,106	Before loss C/F	29,534	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		-19.1200%		0.00%	
54								
55	REGULATORY INCOME TAX		27,846		-27,846	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		27,846		-27,846	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	2,446,312		-2,446,312			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		-2,446,312		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	**Overpaid**	0	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	2,446,312		-2,446,312			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		-2,446,312		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2002**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	34,429			**Actual 2002**	0	
91	LCT (proxy tax is grossed-up)	23	0			**Actual 2002**	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2002**	0	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	34,429			**Actual 2002**	0	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from **2002** Utility's tax return			x	19.12%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				18.00%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				0			
133								
134	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	145,640			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	19.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	27,846			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	27,846			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	27,846			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2002**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	2,446,312			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	-2,553,688			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				2,446,312			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-7,553,688			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	0			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	0			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				88,679			
194	Interest phased-in (Cell C36)				88,679			
195								
196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell K36+K41)				0			
202	Total deemed interest (REGINFO CELL D61)				88,679			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				0			
207								
208	**Total Interest Variance**				0			
209								
210								
211								

	A	B	C	D	E
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**
4	**0**		**Return**		
5					**Version 2009.1**
6	**Section A: Identification:**				
7	**Utility Name: Hearst Power Distribution Co. Ltd.**				
8	**Reporting period: 2002**				
9	**Taxation Year's start date:**				
10	**Taxation Year's end date:**				
11	**Number of days in taxation year:**		365	days	
12					
13	**Please enter the Materiality Level :**		3,058	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	Y		
15	**(0.25% x Net Assets)**	Y/N	N		
16	**Or other measure (please provide the basis of the amount)**	Y/N	N		
17	**Does the utility carry on non-wires related operation?**	Y/N	N		
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**				
19					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
21					
22	**Section B: Financial statements data:**				
23	*Input unconsolidated financial statement data submitted with Tax returns.*				
24	*The actual categories of the income statements should be used.*				
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*				
26					
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*				
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*				
29					
30	**Income:**				
31	Energy Sales	+	8,473,547		8,473,547
32	Distribution Revenue	+	693,289		693,289
33	Other Income	+	60,955		60,955
34	Miscellaneous income	+	76,921		76,921
35		+			0
36	Revenue should be entered above this line				
37					
38	**Costs and Expenses:**				
39	Cost of energy purchased	-	8,525,627		8,525,627
40	Administration	-	328,298		328,298
41	Customer billing and collecting	-			0
42	Operations and maintenance	-	189,647		189,647
43	Amortization	-	172,927		172,927
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	88,213	0	88,213
51	Less: Interest expense for accounting purposes	-			0
52	Provision for payments in lieu of income taxes	-	6,176		6,176
53	**Net Income (loss)**	=	82,037	0	82,037
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)				
55					
56	**Section C: Reconciliation of accounting income to taxable income**				
57	***From T2 Schedule 1***				
58	**BOOK TO TAX ADDITIONS:**				
59	Provision for income tax	+	6,176	0	6,176
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	172,927	0	172,927
62	Employee benefit plans-accrued, not paid	+		0	0
63	Tax reserves - beginning of year	+	0	0	0
64	Reserves from financial statements- end of year	+	0	0	0
65	Regulatory adjustments on which true-up may apply (see A66)	+			0

	A	B	C	D	E
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**
4	**0**		**Return**		
5					**Version 2009.1**
66	***Items on which true-up does not apply "TAXREC 3"***		2,722	0	2,722
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	0	0	0
69					
70	*Subtotal*		181,825	0	181,825
71					
72	*Other Additions: (Please explain the nature of the additions)*				
73	Recapture of CCA	+			0
74	Non-deductible meals and entertainment expense	+			0
75	Capital items expensed	+			0
76		+			0
77		+			0
78		+			0
79		+			0
80	*Total Other Additions*	=	0	0	0
81					
82	Total Additions	=	181,825	0	181,825
83					
84	Recap Material Additions:				
85			0	0	0
86			0	0	0
87			0	0	0
88			0	0	0
89			0	0	0
90			0	0	0
91			0	0	0
92	*Total Other additions >materiality level*		0	0	0
93	Other additions (less than materiality level)		0	0	0
94	Total Other Additions		0	0	0
95					
96	BOOK TO TAX DEDUCTIONS:				
97	Capital cost allowance	-	232,898		232,898
98	Cumulative eligible capital deduction	-	1,430		1,430
99	Employee benefit plans-paid amounts	-			0
100	Items capitalized for regulatory purposes	-			0
101	*Regulatory adjustments :*	-			0
102	*CCA*	-			0
103	*other deductions*	-			0
104	*Tax reserves - end of year*	-	0	0	0
105	*Reserves from financial statements- beginning of year*	-	0	0	0
106	*Contributions to deferred income plans*	-			0
107	*Contributions to pension plans*	-			0
108	***Items on which true-up does not apply "TAXREC 3"***		0	0	0
109	Interest capitalized for accounting deducted for tax	-			0
110	Material deduction items from TAXREC 2	-	0	0	0
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0
112					
113	Subtotal	=	234,328	0	234,328
114	*Other deductions (Please explain the nature of the deductions)*				
115	**Charitable donations - tax basis**	-			0
116	*Gain on disposal of assets*	-			0
117		-			0
118					0
119		-			0
120	*Total Other Deductions*	=	0	0	0
121					
122	Total Deductions	=	234,328	0	234,328
123					
124	Recap Material Deductions:				
125			0	0	0
126			0	0	0

	A	B	C	D	E
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**
4	**0**		**Return**		
5					**Version 2009.1**
127			0	0	0
128			0	0	0
129			0	0	0
130	*Total Other Deductions exceed materiality level*		0	0	0
131	Other Deductions less than materiality level		0	0	0
132	Total Other Deductions		0	0	0
133					
134	TAXABLE INCOME	=	29,534	0	29,534
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	29,534	0	29,534
140					
141	**FROM ACTUAL TAX RETURNS**				
142	Net Federal Income Tax (Must agree with tax return)	+			0
143	Net Ontario Income Tax (Must agree with tax return)	+			0
144	Subtotal	=	0	0	0
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0
146	**Total Income Tax**	=	0	0	0
147					
148	**FROM ACTUAL TAX RETURNS**				
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%
151	Blended Income Tax Rate		0.00%	**********	0.00%
152					
153	**Section F: Income and Capital Taxes**				
154					
155	**RECAP**				
156	Total Income Taxes	+	0	0	0
157	Ontario Capital Tax	+			0
158	Federal Large Corporations Tax	+			0
159					
160	**Total income and capital taxes**	=	0	0	0

	A	B	C	D	E	F
1	**PILs TAXES**	LINE	M of F	Non-wires	**Wires-only**	
2	**Tax and Accounting Reserves**		Corporate	Eliminations	**Tax**	
3	For MoF Column of TAXCALC		Tax		**Return**	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	**0**				**Version 2009.1**	
6						
7	**Utility Name: Hearst Power Distribution Co. Ltd.**					
8	**Reporting period: 2002**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49					0	
50	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
51						
52	**End of Year:**					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59					0	
60					0	
61					0	
62	Insert line above this line					
63	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	**PILs TAXES**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Hearst Power Distribution Co. Ltd.**					
9	**Reporting period: 2002**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		3,058			
12						
13						
14						
15	**Section C: Reconciliation of accounting income to taxable income**					
16	**Add:**					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Hearst Power Distribution Co. Ltd.**					
9	**Reporting period: 2002**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		3,058			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	**PILs TAXES**					
3	**TAX RETURN RECONCILIATION (TAXREC 3)**					
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Hearst Power Distribution Co. Ltd.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2002**					
12	**Number of days in taxation year:**		365			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Statement of partnership interest T5013 - net business incom	+	2,722		2,722	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	2,722	0	2,722	
48						
49	**Deduct:**					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Hearst Power Distribution Co. Ltd.**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	0	0	0	
74						
75						

PILs TAXES
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: Hearst Power Distribution Co. Ltd.
Reporting period: 2002

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range / RAM 2002		0 to 200,000		200,001 to 700,000	>700,000
	Year				
Income Tax Rate					
Proxy Tax Year	***2002***				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	**MAX $5MM**	5,000,000			
Federal Large Corporations Tax Exemption **	**MAX $10MM**	10,000,000			

****Exemption amounts must agree with the Board-approved 2002 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002

Income Range / Expected Rates		0 to 200,000		200,001 to 700,000	>700,000
	Year				
Income Tax Rate					
Current year	***2002***				
Federal (Includes surtax)	***2002***	13.12%		26.12%	26.12%
Ontario	***2002***	6.00%		6.00%	12.50%
Blended rate	***2002***	19.12%		32.12%	38.62%
Capital Tax Rate	***2002***	0.300%			
LCT rate	***2002***	0.225%			
Surtax	***2002***	1.12%			
Ontario Capital Tax Exemption * 2002**	**MAX $5MM**	5,000,000			
Federal Large Corporations Tax Exemption * 2002**	**MAX $10MM**	10,000,000			

*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2002 Tax Returns

Income Range		0 to 200,000		200,001 to 700,000	>700,000
	Year				
Income Tax Rate					
Current year	***2002***				
Federal (Includes surtax)		13.12%		26.12%	26.12%
Ontario		6.00%		6.00%	12.50%
Blended rate		19.12%		32.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	**MAX $5MM**	5,000,000			
Federal Large Corporations Tax Exemption *	**MAX $10MM**	10,000,000			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Hearst Power Distribution Co. Ltd.**														**Version 2009.1**
4	**Reporting period: 2002**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	**Year end:**		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		0		0		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-											0		0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
16	**True-up Variance Adjustment (3)**	+/-			0										0
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**	+/-													0
20	**Deferral Account Variance Adjustment (5)**	+/-			0										0
22	**Adjustments to reported prior years' variances (6)**	+/-													0
23	**Carrying charges (7)**	+/-													0
25	**PILs billed to (collected from) customers (8)**	-	0												0
26															
27	**Ending balance: # 1562**		0		0		0		0		0		0		0

Uncollected PILs

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.
For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

Disposition of Balance Recorded in Account 1562 Deferred P

Distributor	**Hearst Power Distribution Co. Ltd.**
OEB File Number	**EB-2011-0171**
Filing Year	**2003**

	A	B	C	D	E
1	**PILs TAXES**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Hearst Power Distribution Co. Ltd.**			Colour Code	
4	**Reporting period: 2003**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**BACKGROUND**				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	31-Dec-03	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,446,312	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			209,527	
42					
43	1999 return from RUD Sheet #7				0
44					
45	Total Incremental revenue			209,527	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			209,527	209,527
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	**Total Regulatory Income**				209,527
55					
56	Equity			1,223,156	
57					
58	Return at target ROE			120,848	
59					
60	Debt			1,223,156	
61					
62	Deemed interest amount in 100% of MARR			88,679	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			88,679	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			88,679	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			88,679	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2003**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	209,527		-209,527		0	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	132,380		35,616		167,996	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				5,371		5,371	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	107,588		73,916		181,504	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	88,679		-88,679		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		145,640		-153,777	Before loss C/F	-8,137	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		-19.1200%		0.00%	
54								
55	REGULATORY INCOME TAX		27,846		-27,846	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		27,846		-27,846	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	2,446,312		-2,446,312			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		-2,446,312		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	**Overpaid**	0	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	2,446,312		-2,446,312			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		-2,446,312		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2003**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	34,429			**Actual 2003**	0	
91	LCT (proxy tax is grossed-up)	23	0			**Actual 2003**	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2003**	0	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	34,429			**Actual 2003**	0	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from **2003** Utility's tax return			x	18.62%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				17.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				0			
133								
134	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	145,640			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	27,118			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	27,118			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	27,846			
147								
148	Regulatory Income Tax Variance			=	-728			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2003**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	2,446,312			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	-2,553,688			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				2,446,312			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-7,553,688			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	**Income Tax (grossed-up)**			+	-883			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	-883			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	0			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	-883			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				88,679			
194	Interest phased-in (Cell C36)				88,679			
195								
196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell K36+K41)				0			
202	Total deemed interest (REGINFO CELL D61)				88,679			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				0			
207								
208	**Total Interest Variance**				0			
209								
210								

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Hearst Power Distribution Co. Ltd.**					
8	**Reporting period: 2003**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		365	days		
12						
13	**Please enter the Materiality Level :**		3,058	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N	Y			
15	**(0.25% x Net Assets)**	Y/N	N			
16	**Or other measure (please provide the basis of the amount)**	Y/N	N			
17	**Does the utility carry on non-wires related operation?**	Y/N	N			
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**Section B: Financial statements data:**					
23	*Input unconsolidated financial statement data submitted with Tax returns.*					
24	*The actual categories of the income statements should be used.*					
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*					
26						
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*					
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*					
29						
30	**Income:**					
31	Energy Sales	+	7,203,450		7,203,450	
32	Distribution Revenue	+	639,722		639,722	
33	Other Income	+	97,991		97,991	
34	Miscellaneous income	+	58,385		58,385	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	7,310,843		7,310,843	
40	Administration	-	329,582		329,582	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	191,127		191,127	
43	Amortization	-	167,996		167,996	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	0	0	0	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-			0	
53	**Net Income (loss)**	=	0	0	0	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	**Section C: Reconciliation of accounting income to taxable income**					
57	***From T2 Schedule 1***					
58	**BOOK TO TAX ADDITIONS:**					
59	Provision for income tax	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	167,996	0	167,996	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	***Items on which true-up does not apply "TAXREC 3"***		5,371	0	5,371	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	*Subtotal*		173,367	0	173,367	
71						
72	*Other Additions: (Please explain the nature of the additions)*					

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	173,367	0	173,367	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	180,174		180,174	
98	Cumulative eligible capital deduction	-	1,330		1,330	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	*Regulatory adjustments :*	-			0	
102	*CCA*	-			0	
103	*other deductions*	-			0	
104	*Tax reserves - end of year*	-	0	0	0	
105	*Reserves from financial statements- beginning of year*	-	0	0	0	
106	*Contributions to deferred income plans*	-			0	
107	*Contributions to pension plans*	-			0	
108	***Items on which true-up does not apply "TAXREC 3"***		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	181,504	0	181,504	
114	*Other deductions (Please explain the nature of the deductions)*					
115	**Charitable donations - tax basis**	-			0	
116	*Gain on disposal of assets*	-			0	
117		-			0	
118					0	
119		-			0	
120	*Total Other Deductions*	=	0	0	0	
121						
122	Total Deductions	=	181,504	0	181,504	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	*Total Other Deductions exceed materiality level*		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	-8,137	0	-8,137	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	-8,137	0	-8,137	
140						

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	**********	0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+			0	
158	Federal Large Corporations Tax	+			0	
159						
160	**Total income and capital taxes**	=	0	0	0	
161						
162						

	A	B	C	D	E	F
1	**PILs TAXES**	LINE	M of F	Non-wires	**Wires-only**	
2	**Tax and Accounting Reserves**		Corporate	Eliminations	**Tax**	
3	For MoF Column of TAXCALC		Tax		**Return**	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	**0**				**Version 2009.1**	
6						
7	**Utility Name: Hearst Power Distribution Co. Ltd.**					
8	**Reporting period: 2003**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
65						
66						

	A	B	C	D	E	F
1						
2	**PILs TAXES**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Hearst Power Distribution Co. Ltd.**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		3,058			
12						
13						
14						
15	**Section C: Reconciliation of accounting income to taxable income**					
16	**Add:**					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Hearst Power Distribution Co. Ltd.**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		3,058			
12						
13						
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						
123						
124						

	A	B	C	D	E	F
1						
2	**PILs TAXES**					
3	**TAX RETURN RECONCILIATION (TAXREC 3)**					
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Hearst Power Distribution Co. Ltd.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2003**					
12	**Number of days in taxation year:**		365			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**	+			0	
36	Interest and penalties on unpaid taxes	+			0	
37	Management bonuses unpaid after 180 days of year end	+			0	
38	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Statement of partnership interest T5013 - net business incom	+	5,371		5,371	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	5,371	0	5,371	
48						
49	**Deduct:**					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Hearst Power Distribution Co. Ltd.**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	0	0	0	
74						

PILs TAXES
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: Hearst Power Distribution Co. Ltd.
Reporting period: 2003

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range / RAM 2002 / Year		0 to 200,000		200,001 to 700,000	>700,000
Income Tax Rate					
Proxy Tax Year	***2002***				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	**MAX $5MM**	5,000,000			
Federal Large Corporations Tax Exemption **	**MAX $10MM**	10,000,000			

****Exemption amounts must agree with the Board-approved 2002 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003

Income Range / Expected Rates / Year		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1128000
Income Tax Rate					
Current year	***2003***				
Federal (Includes surtax)		13.12%	22.12%	22.12%	24.12%
Ontario		5.50%	5.50%	9.75%	12.50%
Blended rate		18.62%	27.62%	31.87%	36.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption * 2003**	**MAX $5MM**	5,000,000			
Federal Large Corporations Tax Exemption * 2003**	**MAX $10MM**	10,000,000			

*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2003 Tax Returns

Income Range / Year		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1128000
Income Tax Rate					
Current year	***2003***				
Federal (Includes surtax)		13.12%	22.12%	22.12%	24.12%
Ontario		5.50%	5.50%	9.75%	12.50%
Blended rate		18.62%	27.62%	31.87%	36.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	**MAX $5.0MM**	5,000,000			
Federal Large Corporations Tax Exemption *	**MAX $10MM**	10,000,000			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

	A	B	C	D	E	F	G	H	I	J	K
1	**PILs TAXES**										
2	**Analysis of PILs Tax Account 1562:**										
3	**Utility Name: Hearst Power Distribution Co. Ltd.**										
4	**Reporting period: 2003**				**Sign Convention: + for increase; - for decrease**						
5											
6											
7											
8	**Year start:**		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005
9	**Year end:**		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005
10											
11	**Opening balance:**	=	0		0		0		-883		-883
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-									
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-									
16	**True-up Variance Adjustment (3)**	+/-					0				
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**	+/-									
20	**Deferral Account Variance Adjustment (5)**	+/-					-883				
22	**Adjustments to reported prior years' variances (6)**	+/-									
23	**Carrying charges (7)**	+/-									
25	**PILs billed to (collected from) customers (8)**	-	0								
26											
27	**Ending balance: # 1562**		0		0		-883		-883		-883
28											
29											
30											
31	**Uncollected PILs**										
32											
33	**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.										
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.										
35											
36	**Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:**										
37											
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.										
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.										
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.										
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.										
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.										
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.										
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.										
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.										
46											
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be										
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.										
49											
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.										
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.										
52											
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be										
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.										
55											
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.										
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.										
58											
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.										
60											
61	(7) Carrying charges are calculated on a simple interest basis.										
62											
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate										
64	components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the										
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.										
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.										
67											
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied										
69	by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;										
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.										
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,										
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.										
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,										
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used										
77	to calculate the recovery for the period January 1 to March 31, 2005.										
78											
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes										
80	will have to include amounts from 1562 and from 1590.										
81											

	L	M	N	O
1				
2				
3				**Version 2009.1**
4				**0**
5				
6				
7				
8		01/01/2006		
9		30/04/2006		Total
10				
11		-883		0
12				0
14				0
16				0
18				0
20				-883
22				0
23				0
25				0
26				
27		-883		-883
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81				

Disposition of Balance Recorded in Account 1562 D

Distributor	**Hearst Power Distribution Co. Ltd.**
OEB File Number	**EB-2011-0171**
Filing Year	**2004**

eferred PILs

	A	B	C	D	E
1	**PILs TAXES - EB-2008-381**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Hearst Power Distribution Co. Ltd.**			Colour Code	
4	**Reporting period: 2004**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**BACKGROUND**				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		2.4490%	
22		LCT		2.4490%	
23					
24	Accounting Year End		Date	31-Dec-04	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,446,312	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			209,527	
42					
43	1999 return from RUD Sheet #7				0
44					
45	Total Incremental revenue			209,527	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			209,527	209,527
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	**Total Regulatory Income**				209,527
55					
56	Equity			1,223,156	
57					
58	Return at target ROE			120,848	
59					
60	Debt			1,223,156	
61					
62	Deemed interest amount in 100% of MARR			88,679	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			88,679	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			88,679	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			88,679	
71					
72					
73					

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	209,527		-158,527		51,000	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	132,380		-1,321		131,059	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			2,230		2,230	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				0		0	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	107,588		17,165		124,753	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	88,679		-88,679		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		145,640		-86,104	Before loss C/F	59,536	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		-19.1200%		0.00%	
54								
55	REGULATORY INCOME TAX		27,846		-27,846	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		27,846		-27,846	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	2,446,312		-2,446,312			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		-2,446,312		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	**Overpaid**	0	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	2,446,312		-2,446,312			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		0		37,553,688		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	34,429			**Actual 2004**	0	
91	LCT (proxy tax is grossed-up)	23	0			**Actual 2004**	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2004**	0	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	34,429			**Actual 2004**	0	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from **2004** Utility's tax return			x	18.62%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				17.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				0			
133								
134	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	145,640			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	27,118			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	27,118			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	27,846			
147								
148	Regulatory Income Tax Variance			=	-728			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	2,446,312			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	-2,553,688			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				2,446,312			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-47,553,688			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	**Income Tax (grossed-up)**			+	-883			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	-883			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	0			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	-883			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				88,679			
194	Interest phased-in (Cell C36)				88,679			
195								
196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell K36+K41)				0			
202	Total deemed interest (REGINFO CELL D61)				88,679			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				0			
207								
208	**Total Interest Variance**				0			
209								
210								

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Hearst Power Distribution Co. Ltd.**					
8	**Reporting period: 2004**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		365	days		
12						
13	**Please enter the Materiality Level :**		3,058	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N	Y			
15	**(0.25% x Net Assets)**	Y/N	N			
16	**Or other measure (please provide the basis of the amount)**	Y/N	N			
17	**Does the utility carry on non-wires related operation?**	Y/N	N			
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**Section B: Financial statements data:**					
23	*Input unconsolidated financial statement data submitted with Tax returns.*					
24	*The actual categories of the income statements should be used.*					
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*					
26						
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*					
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*					
29						
30	**Income:**					
31	Energy Sales	+	7,808,701		7,808,701	
32	Distribution Revenue	+	641,277		641,277	
33	Other Income	+	93,868		93,868	
34	Miscellaneous income	+	73,132		73,132	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	7,782,580		7,782,580	
40	Administration	-	340,367		340,367	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	224,402		224,402	
43	Amortization	-	131,059		131,059	
44	Ontario Capital Tax	-			0	
45	Transformer Allowance	-	87,570		87,570	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	51,000	0	51,000	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-	10,025		10,025	
53	**Net Income (loss)**	=	40,975	0	40,975	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	**Section C: Reconciliation of accounting income to taxable income**					
57	***From T2 Schedule 1***					
58	**BOOK TO TAX ADDITIONS:**					
59	Provision for income tax	+	10,025	0	10,025	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	131,059	0	131,059	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	***Items on which true-up does not apply "TAXREC 3"***		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	*Subtotal*		141,084	0	141,084	
71						
72	*Other Additions: (Please explain the nature of the additions)*					

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	Income from 2003 not recorded last year	+	2,230		2,230	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	2,230	0	2,230	
81						
82	Total Additions	=	143,314	0	143,314	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		2,230	0	2,230	
94	Total Other Additions		2,230	0	2,230	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	123,516		123,516	
98	Cumulative eligible capital deduction	-	1,237		1,237	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	*Regulatory adjustments :*	-			0	
102	*CCA*	-			0	
103	*other deductions*	-			0	
104	*Tax reserves - end of year*	-	0	0	0	
105	*Reserves from financial statements- beginning of year*	-	0	0	0	
106	*Contributions to deferred income plans*	-			0	
107	*Contributions to pension plans*	-			0	
108	***Items on which true-up does not apply "TAXREC 3"***		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	124,753	0	124,753	
114	*Other deductions (Please explain the nature of the deductions)*					
115	**Charitable donations - tax basis**	-			0	
116	*Gain on disposal of assets*	-			0	
117		-			0	
118					0	
119		-			0	
120	*Total Other Deductions*	=	0	0	0	
121						
122	Total Deductions	=	124,753	0	124,753	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	*Total Other Deductions exceed materiality level*		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	59,536	0	59,536	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	8,137		8,137	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	51,399	0	51,399	
140						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	**********	0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+			0	
158	Federal Large Corporations Tax	+			0	
159						
160	**Total income and capital taxes**	=	0	0	0	
161						
162						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
2	**Tax and Accounting Reserves**		Corporate	Eliminations	**Tax**	
3	For MoF Column of TAXCALC		Tax		**Return**	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	**0**				**Version 2009.1**	
6						
7	**Utility Name: Hearst Power Distribution Co. Ltd.**					
8	**Reporting period: 2004**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
65						
66						
67						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Hearst Power Distribution Co. Ltd.**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		3,058			
12						
13						
14						
15	**Section C: Reconciliation of accounting income to taxable income**					
16	**Add:**					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Hearst Power Distribution Co. Ltd.**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		3,058			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
98		-			0	
99		-			0	
100					0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						
126						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**					
3	**TAX RETURN RECONCILIATION (TAXREC 3)**					
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Hearst Power Distribution Co. Ltd.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2004**					
12	**Number of days in taxation year:**		365			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**	+			0	
36	Interest and penalties on unpaid taxes	+			0	
37	Management bonuses unpaid after 180 days of year end	+			0	
38	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44		+			0	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	0	0	0	
48						
49	**Deduct:**					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Hearst Power Distribution Co. Ltd.**				**Version 2009.1**	
73	**Total Deductions on which true-up does not apply**	=	0	0	0	
74						
75						
76						

PILs TAXES - EB-2008-381
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: Hearst Power Distribution Co. Ltd.
Reporting period: 2004

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range		0 to 200,000		200,001 to 700,000	>700,000
RAM 2002					
	Year				
Income Tax Rate					
Proxy Tax Year	*2002*				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption **	MAX $10MM	10,000,000			

****Exemption amounts must agree with the Board-approved 2002 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Expected Rates					
	Year				
Income Tax Rate					
Current year	*2004*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption *** 2004	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *** 2004	MAX $50MM	50,000,000			

*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2004 Tax Returns

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
	Year				
Income Tax Rate					
Current year	*2004*				
Federal (Includes surtax)		13.12%	22.12%	22.29%	22.12%
Ontario		5.50%	5.50%	13.77%	14.00%
Blended rate		18.62%	27.62%	36.06%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *	MAX $50MM	50,000,000			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2008-381**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Hearst Power Distribution Co. Ltd.**														**Version 2009.1**
4	**Reporting period: 2004**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	**Year end:**		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		-883		-883		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-													0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
16	**True-up Variance Adjustment (3)**	+/-							0						0
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
20	**Deferral Account Variance Adjustment (5)**	+/-							-883						-883
22	**Adjustments to reported prior years' variances (6)**	+/-													0
23	**Carrying charges (7)**	+/-													0
25	**PILs billed to (collected from) customers (8)**	-	0												0
26															
27	**Ending balance: # 1562**		0		0		0		-883		-883		-883		-883

Uncollected PILs

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.
For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

Disposition of Balance Recorded in Account 1562 Deferred P

Distributor	**Hearst Power Distribution Co. Ltd.**
OEB File Number	**EB-2011-0171**
Filing Year	**2005**

	A	B	C	D	E
1	**PILs TAXES - EB-2008-381**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Hearst Power Distribution Co. Ltd.**			Colour Code	
4	**Reporting period: 2005**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**BACKGROUND**				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3.0000%	
22		LCT			
23					
24	Accounting Year End		Date	31-Dec-05	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,446,312	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			209,527	
42					
43	1999 return from RUD Sheet #7				0
44					
45	Total Incremental revenue			209,527	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			209,527	209,527
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				
52	Other Board-approved changes to MARR or incremental revenue				
53					16,045
54	**Total Regulatory Income**				225,572
55					
56	Equity			1,223,156	
57					
58	Return at target ROE			120,848	
59					
60	Debt			1,223,156	
61					
62	Deemed interest amount in 100% of MARR			88,679	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			88,679	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			88,679	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			88,679	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	225,572		-223,785		1,787	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	132,380		-23,430		108,950	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				0		0	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	107,588		-9,618		97,970	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	88,679		-88,679		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		161,685		-148,918	Before loss C/F	12,767	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	18.62%		-18.6200%		0.00%	
54								
55	REGULATORY INCOME TAX		30,106		-30,106	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		30,106		-30,106	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	2,446,312		-2,446,312			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		0		7,500,000	
68	Taxable Capital		0		-2,446,312		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	**Overpaid**	0	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	2,446,312		-2,446,312			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		0		50,000,000	
77	Taxable Capital		0		-2,446,312		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		18.62%					
89								
90	Income Tax (proxy tax is grossed-up)	22	36,994			**Actual 2005**	0	
91	LCT (proxy tax is grossed-up)	23	0			**Actual 2005**	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2005**	0	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	36,994			**Actual 2005**	0	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from **2005** Utility's tax return			x	18.62%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				17.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				0			
133								
134	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	161,685			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	30,106			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	30,106			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	30,106			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Hearst Power Distribution Co. Ltd.**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	2,446,312			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	-5,053,688			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				2,446,312			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-47,553,688			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	0			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	0			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				88,679			
194	Interest phased-in (Cell C36)				88,679			
195								
196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell K36+K41)				0			
202	Total deemed interest (REGINFO CELL D61)				88,679			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				0			
207								
208	**Total Interest Variance**				0			
209								
210								
211								

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Hearst Power Distribution Co. Ltd.**					
8	**Reporting period: 2005**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		365	days		
12						
13	**Please enter the Materiality Level :**		3,058	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N	Y			
15	**(0.25% x Net Assets)**	Y/N	N			
16	**Or other measure (please provide the basis of the amount)**	Y/N	N			
17	**Does the utility carry on non-wires related operation?**	Y/N	N			
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**Section B: Financial statements data:**					
23	*Input unconsolidated financial statement data submitted with Tax returns.*					
24	*The actual categories of the income statements should be used.*					
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*					
26						
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*					
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*					
29						
30	**Income:**					
31	Energy Sales	+	8,813,919		8,813,919	
32	Distribution Revenue	+	640,752		640,752	
33	Other Income	+	55,324		55,324	
34	Miscellaneous income	+	102,393		102,393	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	8,881,744		8,881,744	
40	Administration	-	313,123		313,123	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	306,784		306,784	
43	Amortization	-	108,950		108,950	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	1,787	0	1,787	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-	-23,253		-23,253	
53	**Net Income (loss)**	=	25,040	0	25,040	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	**Section C: Reconciliation of accounting income to taxable income**					
57	***From T2 Schedule 1***					
58	**BOOK TO TAX ADDITIONS:**					
59	Provision for income tax	+	-23,253	0	-23,253	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	108,950	0	108,950	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	***Items on which true-up does not apply "TAXREC 3"***		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	*Subtotal*		85,697	0	85,697	
71						
72	*Other Additions: (Please explain the nature of the additions)*					

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	85,697	0	85,697	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	96,820		96,820	
98	Cumulative eligible capital deduction	-	1,150		1,150	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	*Regulatory adjustments :*	-			0	
102	*CCA*	-			0	
103	*other deductions*	-			0	
104	*Tax reserves - end of year*	-	0	0	0	
105	*Reserves from financial statements- beginning of year*	-	0	0	0	
106	*Contributions to deferred income plans*	-			0	
107	*Contributions to pension plans*	-			0	
108	***Items on which true-up does not apply "TAXREC 3"***		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	97,970	0	97,970	
114	*Other deductions (Please explain the nature of the deductions)*					
115	**Charitable donations - tax basis**	-			0	
116	*Gain on disposal of assets*	-			0	
117		-			0	
118					0	
119		-			0	
120	*Total Other Deductions*	=	0	0	0	
121						
122	Total Deductions	=	97,970	0	97,970	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	*Total Other Deductions exceed materiality level*		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	12,767	0	12,767	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	12,767	0	12,767	
140						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	**********	0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+			0	
158	Federal Large Corporations Tax	+			0	
159						
160	**Total income and capital taxes**	=	0	0	0	
161						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
2	**Tax and Accounting Reserves**		Corporate	Eliminations	**Tax**	
3	For MoF Column of TAXCALC		Tax		**Return**	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	**0**				**Version 2009.1**	
6						
7	**Utility Name: Hearst Power Distribution Co. Ltd.**					
8	**Reporting period: 2005**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
65						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Hearst Power Distribution Co. Ltd.**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		3,058			
12						
13						
14						
15	**Section C: Reconciliation of accounting income to taxable income**					
16	**Add:**					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Hearst Power Distribution Co. Ltd.**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		3,058			
12						
13						
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
98		-			0	
99		-			0	
100					0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**					
3	**TAX RETURN RECONCILIATION (TAXREC 3)**					
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Hearst Power Distribution Co. Ltd.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2005**					
12	**Number of days in taxation year:**		365			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Income from joint ventures or partnerships	+			0	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	0	0	0	
48						
49	**Deduct:**					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	0	0	0	
74						
75						

PILs TAXES - EB-2008-381
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: Hearst Power Distribution Co. Ltd.
Reporting period: 2005

Table 1

Rates Used in 2005 RAM PILs Applications for 2005

Income Range		0 to 400,000		400,001 to 1,128,000	>1128000
RAM 2002					
	Year				
Income Tax Rate					
Proxy Tax Year	*2005*				
Federal (Includes surtax)		13.12%		17.75%	22.12%
and Ontario blended		5.50%		9.75%	14.00%
Blended rate		18.62%		27.50%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.175%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $7.5MM	7,500,000			
Federal Large Corporations Tax Exemption **	MAX $50MM	50,000,000			

****Exemption amounts must agree with the Board-approved 2005 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Expected Rates					
	Year				
Income Tax Rate					
Current year	*2005*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *** 2002	MAX $7.5MM	7,500,000			
Federal Large Corporations Tax Exemption *** 2002	MAX $50MM	50,000,000			

****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2005 Tax Returns

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
	Year				
Income Tax Rate					
Current year	*2005*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $7.5MM	7,500,000			
Federal Large Corporations Tax Exemption *	MAX $50MM	50,000,000			

* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2008-381**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Hearst Power Distribution Co. Ltd.**														**Version 2009.1**
4	**Reporting period: 2005**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	**Year end:**		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	**Opening balance:**	=			0		0		0		0		0		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-													0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
16	**True-up Variance Adjustment (3)**	+/-									0				0
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
20	**Deferral Account Variance Adjustment (5)**	+/-									0				0
22	**Adjustments to reported prior years' variances (6)**	+/-													0
23	**Carrying charges (7)**	+/-													0
25	**PILs billed to (collected from) customers (8)**	-	0												0
26															
27	**Ending balance: # 1562**		0		0		0		0		0		0		0
28															
29															
30															
31	**Uncollected PILs**														
32															
33	**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	**Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:**														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															

Attachment 2 of 2

Disposition 1562 Deferred PILs

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Distributor Information

Applicant Name	**Hearst Power Distribution Company Limited**
OEB Licence Number	**ED-2002-0533**

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

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A4.1 PILs Tax Proxy	PILs Tax Proxy
B1.1 Rate Classes	Set Up Rate Classes
C1.1 2002 PILs Recovered	2002 PILs Recoverd
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C1.3 Jan to Mar 2004 PILs Rec	Jan to Mar 2004 PILs Recovered
C1.4 Apr to Dec 2004 PILs Rec	Apr to Dec 2004 PILs Recovered
C1.5 Jan To Mar 2005 PILs Rec	Jan To Mar 2005 PILs Recovered
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C1.7 Jan To Apr 2006 PILs Rec	Jan To Apr 2006 PILs Recovered
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E1.1 Disp of 1562 Balance	Disposition of Balance Recorded in Account 1562 Deferred PILs
F1.1 Calc Carry Cost 2001	Calculate Carrying Cost 2001
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F1.12 Calc Carry Cost 2012	Calculate Carrying Cost 2012
G1.1 Request for Disposition	Request for Disposition of 1562 Balance

Name of LDC: Hearst Power Distribution Company Limi

OEB Licence Number: ED-2002-0533

Prescribed Interest Rates

	Approved Deferral and Variance Accounts Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)
Q3 2001	7.25
Q2 2006	4.14
Q3 2006	4.59
Q4 2006	4.59
Q1 2007	4.59
Q2 2007	4.59
Q3 2007	4.59
Q4 2007	5.14
Q1 2008	5.14
Q2 2008	4.08
Q3 2008	3.35
Q4 2008	3.35
Q1 2009	2.45
Q2 2009	1.00
Q3 2009	0.55
Q4 2009	0.55
Q1 2010	0.55
Q2 2010	0.55
Q3 2010	0.89
Q4 2010	1.20
Q1 2011	1.47
Q2 2011	1.47
Q3 2011	1.47
Q4 2011	1.47
Q1 2012	1.47
Q2 2012	1.47

ates

ited

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Annual Interest

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2001	0.00	0.00%	0.00%
February 28, 2001	0.00	0.00%	0.00%
March 31, 2001	0.00	0.00%	0.00%
April 30, 2001	0.00	0.00%	0.00%
May 31, 2001	0.00	0.00%	0.00%
June 30, 2001	0.00	0.00%	0.00%
July 31, 2001	0.00	0.00%	0.00%
August 31, 2001	0.00	0.00%	0.00%
September 30, 2001	0.00	0.00%	0.00%
October 31, 2001	7.25	0.62%	0.62%
November 30, 2001	7.25	0.60%	1.21%
December 31, 2001	7.25	0.62%	1.83%
Effective Annual Interest		**1.83%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2002	7.25	0.62%	0.62%
February 28, 2002	7.25	0.56%	1.17%
March 31, 2002	7.25	0.62%	1.79%
April 30, 2002	7.25	0.60%	2.38%
May 31, 2002	7.25	0.62%	3.00%
June 30, 2002	7.25	0.60%	3.60%
July 31, 2002	7.25	0.62%	4.21%
August 31, 2002	7.25	0.62%	4.83%
September 30, 2002	7.25	0.60%	5.42%
October 31, 2002	7.25	0.62%	6.04%
November 30, 2002	7.25	0.60%	6.63%
December 31, 2002	7.25	0.62%	7.25%
Effective Annual Interest		**7.25%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2003	7.25	0.62%	0.62%
February 28, 2003	7.25	0.56%	1.17%
March 31, 2003	7.25	0.62%	1.79%
April 30, 2003	7.25	0.60%	2.38%
May 31, 2003	7.25	0.62%	3.00%
June 30, 2003	7.25	0.60%	3.60%
July 31, 2003	7.25	0.62%	4.21%
August 31, 2003	7.25	0.62%	4.83%
September 30, 2003	7.25	0.60%	5.42%
October 31, 2003	7.25	0.62%	6.04%
November 30, 2003	7.25	0.60%	6.63%
December 31, 2003	7.25	0.62%	7.25%
Effective Annual Interest		**7.25%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2004	7.25	0.62%	0.62%
February 29, 2004	7.25	0.58%	1.19%
March 31, 2004	7.25	0.62%	1.81%
April 30, 2004	7.25	0.60%	2.40%
May 31, 2004	7.25	0.62%	3.02%
June 30, 2004	7.25	0.60%	3.62%
July 31, 2004	7.25	0.62%	4.23%
August 31, 2004	7.25	0.62%	4.85%
September 30, 2004	7.25	0.60%	5.44%
October 31, 2004	7.25	0.62%	6.06%
November 30, 2004	7.25	0.60%	6.65%
December 31, 2004	7.25	0.62%	7.27%
Effective Annual Interest		**7.27%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2005	7.25	0.62%	0.62%
February 28, 2005	7.25	0.56%	1.17%
March 31, 2005	7.25	0.62%	1.79%
April 30, 2005	7.25	0.60%	2.38%
May 31, 2005	7.25	0.62%	3.00%
June 30, 2005	7.25	0.60%	3.60%
July 31, 2005	7.25	0.62%	4.21%
August 31, 2005	7.25	0.62%	4.83%
September 30, 2005	7.25	0.60%	5.42%
October 31, 2005	7.25	0.62%	6.04%
November 30, 2005	7.25	0.60%	6.63%
December 31, 2005	7.25	0.62%	7.25%
Effective Annual Interest		**7.25%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2006	7.25	0.62%	0.62%
February 28, 2006	7.25	0.56%	1.17%
March 31, 2006	7.25	0.62%	1.79%
April 30, 2006	4.14	0.34%	2.13%
May 31, 2006	4.14	0.35%	2.48%
June 30, 2006	4.14	0.34%	2.82%
July 31, 2006	4.59	0.39%	3.21%
August 31, 2006	4.59	0.39%	3.60%
September 30, 2006	4.59	0.38%	3.98%
October 31, 2006	4.59	0.39%	4.37%
November 30, 2006	4.59	0.38%	4.74%
December 31, 2006	4.59	0.39%	5.13%
Effective Annual Interest		**5.13%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2007	4.59	0.39%	0.39%
February 28, 2007	4.59	0.35%	0.74%
March 31, 2007	4.59	0.39%	1.13%
April 30, 2007	4.59	0.38%	1.51%
May 31, 2007	4.59	0.39%	1.90%
June 30, 2007	4.59	0.38%	2.28%

July 31, 2007	4.59	0.39%	2.67%
August 31, 2007	4.59	0.39%	3.06%
September 30, 2007	4.59	0.38%	3.43%
October 31, 2007	5.14	0.44%	3.87%
November 30, 2007	5.14	0.42%	4.29%
December 31, 2007	5.14	0.44%	4.73%
Effective Annual Interest		**4.73%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2008	5.14	0.44%	0.44%
February 29, 2008	5.14	0.41%	0.84%
March 31, 2008	5.14	0.44%	1.28%
April 30, 2008	4.08	0.34%	1.62%
May 31, 2008	4.08	0.35%	1.96%
June 30, 2008	4.08	0.34%	2.30%
July 31, 2008	3.35	0.28%	2.58%
August 31, 2008	3.35	0.28%	2.87%
September 30, 2008	3.35	0.28%	3.14%
October 31, 2008	3.35	0.28%	3.43%
November 30, 2008	3.35	0.28%	3.70%
December 31, 2008	3.35	0.28%	3.99%
Effective Annual Interest		**3.99%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2009	2.45	0.21%	0.21%
February 28, 2009	2.45	0.19%	0.40%
March 31, 2009	2.45	0.21%	0.60%
April 30, 2009	1.00	0.08%	0.69%
May 31, 2009	1.00	0.08%	0.77%
June 30, 2009	1.00	0.08%	0.85%
July 31, 2009	0.55	0.05%	0.90%
August 31, 2009	0.55	0.05%	0.95%
September 30, 2009	0.55	0.05%	0.99%
October 31, 2009	0.55	0.05%	1.04%
November 30, 2009	0.55	0.05%	1.08%
December 31, 2009	0.55	0.05%	1.13%
Effective Annual Interest		**1.13%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2010	0.55	0.05%	0.05%
February 28, 2010	0.55	0.04%	0.09%
March 31, 2010	0.55	0.05%	0.14%
April 30, 2010	0.55	0.05%	0.18%
May 31, 2010	0.55	0.05%	0.23%
June 30, 2010	0.55	0.05%	0.27%
July 31, 2010	0.89	0.08%	0.35%
August 31, 2010	0.89	0.08%	0.42%
September 30, 2010	0.89	0.07%	0.50%
October 31, 2010	1.20	0.10%	0.60%
November 30, 2010	1.20	0.10%	0.70%
December 31, 2010	1.20	0.10%	0.80%
Effective Annual Interest		**0.80%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2011	1.47	0.12%	0.12%
February 28, 2011	1.47	0.11%	0.24%
March 31, 2011	1.47	0.12%	0.36%
April 30, 2011	1.47	0.12%	0.48%
May 31, 2011	1.47	0.12%	0.61%
June 30, 2011	1.47	0.12%	0.73%
July 31, 2011	1.47	0.12%	0.85%
August 31, 2011	1.47	0.12%	0.98%
September 30, 2011	1.47	0.12%	1.10%
October 31, 2011	1.47	0.12%	1.22%
November 30, 2011	1.47	0.12%	1.35%
December 31, 2011	1.47	0.12%	1.47%
Effective Annual Interest		**1.47%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2012	1.47	0.12%	0.12%
February 29, 2012	1.47	0.12%	0.24%
March 31, 2012	1.47	0.12%	0.37%
April 30, 2012	1.47	0.12%	0.49%
May 31, 2012	0.00	0.00%	0.49%
June 30, 2012	0.00	0.00%	0.49%
July 31, 2012	0.00	0.00%	0.49%
August 31, 2012	0.00	0.00%	0.49%
September 30, 2012	0.00	0.00%	0.49%
October 31, 2012	0.00	0.00%	0.49%
November 30, 2012	0.00	0.00%	0.49%
December 31, 2012	0.00	0.00%	0.49%
Effective Annual Interest		**0.49%**	

Name of LDC: Hearst Power Distribution Company Limite

OEB Licence Number: ED-2002-0533

PILs Tax Proxy

	Year	Amount
Board-approved PILs tax proxy from Decisions	2001	0
Board-approved PILs tax proxy from Decisions	2002	34,429
Board-approved PILs tax proxy from Decisions	2005	36,994

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Rate Class Selection

Rate Group	Rate Class	Fixed Metric	Vol Metric
RES	Residential	Customer	kWh
NA	Rate Class 2	NA	NA
NA	Rate Class 3	NA	NA
NA	Rate Class 4	NA	NA
NA	Rate Class 5	NA	NA
NA	Rate Class 6	NA	NA
NA	Rate Class 7	NA	NA
NA	Rate Class 8	NA	NA
NA	Rate Class 9	NA	NA
NA	Rate Class 10	NA	NA
NA	Rate Class 11	NA	NA
NA	Rate Class 12	NA	NA
NA	Rate Class 13	NA	NA
NA	Rate Class 14	NA	NA
NA	Rate Class 15	NA	NA
NA	Rate Class 16	NA	NA
NA	Rate Class 17	NA	NA
NA	Rate Class 18	NA	NA
NA	Rate Class 19	NA	NA
NA	Rate Class 20	NA	NA
NA	Rate Class 21	NA	NA
NA	Rate Class 22	NA	NA
NA	Rate Class 23	NA	NA
NA	Rate Class 24	NA	NA
NA	Rate Class 25	NA	NA

B1.1 Rate Classes

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

PILs Recovered March to December 2002

Rate Class	Fixed Metric	PILs Rate 2001 **A**	PILs Rate 2002 **B**	Total PILs Rate **C = A + B**	Monthly Service Charge	Cust/Conn Billed **D**	PILs Recovered **E = C * D * 11**
Residential	Customer	0.000000	0.000000	0.000000	0.0000	0	0
						0	0

Rate Class	Vol Metric	PILs Rate 2001 **A**	PILs Rate 2002 **B**	Total PILs Rate **C = A + B**	Distribution Charge	kWh/kW Billed Mar to Dec 2002 **D**	PILs Recovered **E = C * D**
Residential	kWh	0.000000	1.000000	1.000000	1.0000	32,900	32,900
						32,900	32,900
							32,900

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

PILs Recovered 2003

Rate Class	Fixed Metric	PILs Rate 2001 **A**	PILs Rate 2002 **B**	Total PILs Rate **C = A + B**	Monthly Service Charge	Cust/Conn Billed **D**	PILs Recovered **E = C * D * 12**
Residential	Customer	0.000000	0.000000	0.000000	0.0000	0	0
						0	0

Rate Class	Vol Metric	PILs Rate 2001 **A**	PILs Rate 2002 **B**	Total PILs Rate **C = A + B**	Distribution Charge	kWh/kW Billed 2003 **D**	PILs Recovered **E = C * D**
Residential	kWh	0.000000	1.000000	1.000000	1.0000	36,960	36,960
						36,960	36,960
							36,960

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

PILs Recovered January to March 2004

Rate Class	Fixed Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2004 D	PILs Recovered E = C * D * 3
Residential	Customer	0.000000	0.000000	0.000000	0.0000	0	0
						0	0

Rate Class	Vol Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Distribution Charge	kWh/kW Billed Jan To Mar 2004 D	PILs Recovered E = C * D
Residential	kWh	0.000000	1.000000	1.000000	1.0000	7,043	7,043
						7,043	7,043
							7,043

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

PILs Recovered April to December 2004

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2004 **A**	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2004 **B**	PILs Recovered **C = A * B * 9**
Residential	Customer	0.000000	0.0000	0	0
				0	0

Rate Class	Vol Metric	PILs Rate Apr to Dec 2004 **A**	Distribution Charge	kWh/kW Billed Apr To Dec 2004 **B**	PILs Recovered **C = A * B**
Residential	kWh	1.000000	0.0000	25,530	25,530
				25,530	25,530
					25,530

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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

PILs Recovered January to March 2005

Rate Class	Fixed Metric	PILs Rate Jan To Mar 2005 **A**	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2005 **B**	PILs Recovered **C = A * B * 3**
Residential	Customer	0.000000	0.0000	0	0
				0	0

Rate Class	Vol Metric	PILs Rate Jan To Mar 2005 **A**	Distribution Charge	kWh/kW Billed Jan To Mar 2005 **B**	PILs Recovered **C = A * B**
Residential	kWh	1.000000	0.0000	4,983	4,983
				4,983	4,983
					4,983

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

PILs Recovered April to December 2005

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2005 **A**	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2005 **B**	PILs Recovered **C = A * B * 9**
Residential	Customer	0.000000	0.0000	0	0
				0	0

Rate Class	Vol Metric	PILs Rate Apr to Dec 2005 **A**	Distribution Charge	kWh/kW Billed Apr To Dec 2005 **B**	PILs Recovered **C = A * B**
Residential	kWh	1.000000	0.0000	29,664	29,664
				29,664	29,664
					29,664

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

PILs Recovered January to April 2006

Rate Class	Fixed Metric	PILs Rate Jan To Apr 2006 **A**	Monthly Service Charge	Cust/Conn Billed Jan To Apr 2006 **B**	PILs Recovered **C = A * B * 4**
Residential	Customer	0.000000	0.0000	0	0
				0	0

Rate Class	Vol Metric	PILs Rate Jan To Apr 2006 **A**	Distribution Charge	kWh/kW Billed Jan To Apr 2006 **B**	PILs Recovered **C = A * B**
Residential	kWh	1.000000	0.0000	11,630	11,630
				11,630	11,630
					11,630

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Total PIL's Recoverd

Rate Class	Fixed Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	Customer	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0

Rate Class	Vol Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	kWh	32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711
		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711

Rate Class		PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711
		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Total PIL's Recoverd by Year

Rate Class	Fixed Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Dec 2004	PILs Recovered Jan to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	Customer	0	0	0	0	0	0
		0	0	0	0	0	0

Rate Class	Vol Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Dec 2004	PILs Recovered Jan to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	kWh	32,900	36,960	32,573	34,646	11,630	148,711
		32,900	36,960	32,573	34,646	11,630	148,711

Rate Class		PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential		32,900	36,960	32,573	34,646	11,630	148,711
		32,900	36,960	32,573	34,646	11,630	148,711

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Disposition of Balance Recorded in Account 1562 Deferred PILs

Year start:		01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/05/2006	01/01/2007	01/01/2008	01/01/2009	01/01/2010	01/01/2011	01/01/2012
Year end:		31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005	30/04/2006	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	30/04/2012
Principal Opening balance: # 1562	=		0	1,529	-1,885	-912	794	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from	+/-	0	34,429	34,429	34,429	36,353	12,331							
True-up Variance Adjustment Q4, 2001[2]	+/-	0						0	0	0	0	0	0	0
True-up Variance Adjustment[3]	+/-		0	0	0	0		0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001[4]	+/-	0						0	0	0	0	0	0	0
Deferral Account Variance Adjustment[5]	+/-		0	-883	-883	0		0	0	0	0	0	0	0
Adjustments to reported prior years'	+/-							0	0	0	0	0	0	0
PILs collected from customers - Proxy[8]	-	0	-32,900	-36,960	-32,573	-34,646	-11,630	0	0	0	0	0	0	0
Principal Ending balance: # 1562		0	1,529	-1,885	-912	794	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Principal Opening balance: # 1562		0	0	250	246	182	306	328	373	444	503	520	532	554
Carrying charges[7]	+/-	0	250	-3	-65	124	22	45	71	60	17	12	22	7
Principal Ending balance: # 1562		0	250	246	182	306	328	373	444	503	520	532	554	561

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.
For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER: Method #3

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. Per APH entries began October 1, 2001.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - In 2006, the prorated 2005 PILs tax proxy will used for the period from January 1, 2006 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I182, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I182, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class. Input negative number for collections.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

In 2006, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period January 1 to April 30, 2006.

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Calculate Carrying Cost 2001

Month		Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Total
Prescribed Rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.25%	7.25%	7.25%	
Monthly Interest		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	0	0	0	0	0	0	0	0	0	0	0	0	0
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Opening Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
Cummulative Interest This Year		0	0	0	0	0	0	0	0	0	0	0	0	
Cummulative Interest Life to Date		0	0	0	0	0	0	0	0	0	0	0	0	

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Calculate Carrying Cost 2002

Month		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	0	2,869	5,738	5,317	4,896	4,475	4,054	3,633	3,212	2,792	2,371	1,950	0
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-32,900
Principal Ending balance: # 1562		2,869	5,738	5,317	4,896	4,475	4,054	3,633	3,212	2,792	2,371	1,950	1,529	1,529
Interest on Opening Balance		0	16	35	32	30	27	25	22	19	17	14	12	250
Cummulative Interest This Year		0	16	51	83	113	140	165	187	206	223	238	250	
Cummulative Interest Life to Date		0	16	51	83	113	140	165	187	206	223	238	250	

Name of LDC: Hearst Power Distribution Company Limited
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Calculate Carrying Cost 2003

Month		Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	1,529	1,244	960	675	391	106	-178	-463	-747	-1,032	-1,316	-1,601	1,529
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-883
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-36,960
Principal Ending balance: # 1562		1,244	960	675	391	106	-178	-463	-747	-1,032	-1,316	-1,601	-1,885	-1,885
Interest on Opening Balance		9	7	6	4	2	1	-1	-3	-4	-6	-8	-10	-3
Cummulative Interest This Year		9	16	22	26	29	29	28	25	21	15	7	-3	
Cummulative Interest Life to Date		259	266	272	276	278	279	278	275	270	264	256	246	

Name of LDC: Hearst Power Distribution Company Limited
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Calculate Carrying Cost 2004

Month		Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.58%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	-1,885	-1,438	-990	-542	-583	-624	-666	-707	-748	-789	-830	-871	-1,885
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-883
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-2,348	-2,348	-2,348	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-32,573
Principal Ending balance: # 1562		-1,438	-990	-542	-583	-624	-666	-707	-748	-789	-830	-871	-912	-912
Interest on Opening Balance		-12	-8	-6	-3	-4	-4	-4	-4	-4	-5	-5	-5	-65
Cummulative Interest This Year		-12	-20	-26	-29	-33	-37	-41	-45	-49	-54	-59	-65	
Cummulative Interest Life to Date		235	227	220	217	214	210	206	201	197	192	187	182	

Name of LDC: Hearst Power Distribution Company Limited
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Calculate Carrying Cost 2005

Month		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	-912	456	1,825	3,193	2,927	2,660	2,394	2,127	1,860	1,594	1,327	1,061	-912
Board-approved PILs tax proxy from Decisions(1)	+/-	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	36,353
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-1,661	-1,661	-1,661	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-34,646
Principal Ending balance: # 1562		456	1,825	3,193	2,927	2,660	2,394	2,127	1,860	1,594	1,327	1,061	794	794
Interest on Opening Balance		-6	3	11	19	18	16	15	13	11	10	8	7	124
Cummulative Interest This Year		-6	-3	8	27	45	61	76	89	100	110	118	124	
Cummulative Interest Life to Date		176	179	190	209	227	243	258	271	282	292	300	306	

Name of LDC: Hearst Power Distribution Company Limited
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Calculate Carrying Cost 2006

Month		Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
Prescribed Rate		7.25%	7.25%	7.25%	4.14%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Monthly Interest		0.62%	0.56%	0.62%	0.34%	0.35%	0.34%	0.39%	0.39%	0.38%	0.39%	0.38%	0.39%	
Principal Opening balance: # 1562	=	794	969	1,145	1,320	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	794
Board-approved PILs tax proxy from Decisions(1)	+/-	3,083	3,083	3,083	3,083	0	0	0	0	0	0	0	0	12,331
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-2,908	-2,908	-2,908	-2,908	0	0	0	0	0	0	0	0	-11,630
Principal Ending balance: # 1562		969	1,145	1,320	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		5	5	7	4	5	5	6	6	6	6	6	6	67
Cummulative Interest This Year		5	10	17	22	27	32	38	44	49	55	61	67	
Cummulative Interest Life to Date		311	316	323	328	333	338	344	350	356	361	367	373	

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Calculate Carrying Cost 2007

Month		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Prescribed Rate		4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Monthly Interest		0.39%	0.35%	0.39%	0.38%	0.39%	0.38%	0.39%	0.39%	0.38%	0.44%	0.42%	0.44%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		6	5	6	6	6	6	6	6	6	7	6	7	71
Cummulative Interest This Year		6	11	17	23	28	34	40	46	51	58	64	71	
Cummulative Interest Life to Date		379	384	390	395	401	407	413	419	424	431	437	444	

Name of LDC: Hearst Power Distribution Company Limited
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Calculate Carrying Cost 2008

Month		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Prescribed Rate		5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Monthly Interest		0.44%	0.41%	0.44%	0.34%	0.35%	0.34%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		7	6	7	5	5	5	4	4	4	4	4	4	60
Cummulative Interest This Year		7	13	19	24	29	34	39	43	47	51	55	60	
Cummulative Interest Life to Date		450	456	463	468	473	478	482	486	491	495	499	503	

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Calculate Carrying Cost 2009

Month		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
Prescribed Rate		2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Monthly Interest		0.21%	0.19%	0.21%	0.08%	0.08%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		3	3	3	1	1	1	1	1	1	1	1	1	17
Cummulative Interest This Year		3	6	9	10	12	13	13	14	15	16	16	17	
Cummulative Interest Life to Date		506	509	512	513	515	516	517	517	518	519	519	520	

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Calculate Carrying Cost 2010

Month		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Prescribed Rate		0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Monthly Interest		0.05%	0.04%	0.05%	0.05%	0.05%	0.05%	0.08%	0.08%	0.07%	0.10%	0.10%	0.10%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		1	1	1	1	1	1	1	1	1	2	1	2	12
Cummulative Interest This Year		1	1	2	3	3	4	5	6	7	9	10	12	
Cummulative Interest Life to Date		521	521	522	523	523	524	525	526	527	529	530	532	

Name of LDC: Hearst Power Distribution Company Limited
OEB Licence Number: ED-2002-0533

Calculate Carrying Cost 2011

Month		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Prescribed Rate		1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Monthly Interest		0.12%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		2	2	2	2	2	2	2	2	2	2	2	2	22
Cummulative Interest This Year		2	4	5	7	9	11	13	15	16	18	20	22	
Cummulative Interest Life to Date		534	536	537	539	541	543	545	547	548	550	552	554	

Name of LDC: **Hearst Power Distribution Company Limited**
OEB Licence Number: **ED-2002-0533**

Calculate Carrying Cost 2012

Month		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
Prescribed Rate		1.47%	1.47%	1.47%	1.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Monthly Interest		0.12%	0.12%	0.12%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		2	2	2	2	0	0	0	0	0	0	0	0	7
Cummulative Interest This Year		2	4	5	7	7	7	7	7	7	7	7	7	
Cummulative Interest Life to Date		556	558	559	561	561	561	561	561	561	561	561	561	

 © Elenchus Research Associates

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Request for Disposition of 1562 Balance

Principal as of April 30, 2012	1,495
Interest as of April 30, 2012	561
Amount Requested for Disposition of 1562 Balance	2,056

Exhibit 3

Tab 2 of 2

Historical Data

Historical Data

Appendix 1 of 5

OEB Board Decisions

Courier sent - April 1, 2002

Ontario Energy Board
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Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273

Ontario

BY PRIORITY POST

April 5, 2002

REÇU Le
09 AVR. 2002
RÉP .....

Nicole Leduc
General Manager
Hearst Power Distribution Company Limited
925 Alexandra Street
P.O. Box 5000
Hearst, ON
P0L 1N0

Dear Mr. Leduc:

Re: Hearst Power Distribution Company Limited
March 2002 LDC Rate Adjustments
Board File No. RP-2002-0073/EB-2002-0082

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Encl.

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2002-0073
EB-2002-0082

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Hearst Power Distribution Company Limited for an order or orders approving or fixing just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

DECISION AND ORDER

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

Hearst Power Distribution Company Limited ("the Applicant") filed an Application ("the Application"), dated January 28, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated March 27, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.

- 10 indicated that there should be an oral hearing and wanted to make a submission.

- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.

- 18 made substantive submissions.

In some cases the submission named a specific electricity distributor, in other cases it did not. The Applicant was not named in any of the submissions.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. No submissions were received.

The Applicant applied to adjust its distribution rates for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the 2001 deferred Payments in Lieu of Taxes (PILs), $41,013.
- the 2002 Payments in Lieu of Taxes (PILs), $44,125.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, $16,058.
- a rate increase of 0.6/kW for the Intermediate Use Class spread equally over a three-year period with pro rata rate reduction in other customer classes.

In its previous decision dealing with the Applicant's 2001 rates (RP-2000-0257), the Board found a revenue excess of $204,983, which the Board directed that it be recorded, with interest, for future disposition. In the current application, the Applicant proposed that the 2001 PILs amount of $41,013 be used as an offset to the recorded revenue excess. The Applicant did not propose to dispose of the remaining balance at this time.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

Board Findings

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination. Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that "the rates are not just and reasonable" and that they "would like the opportunity to present to the Board on this matter".

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario's electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive

consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board's jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability of the government to make changes to Ontario's electricity system in the future. These are not relevant to the Board's duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

The Board adjusts the Applicant's 2002 PILs by removing the amount of 2001 PILs for regulatory adjustments. As a result, the 2002 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of $9,696.

With respect to the remaining revenue excess balance, the Board finds that it would be reasonable to dispose of such balance coincident with the first billing incorporating the new rates. The Board directs the Applicant to credit customers' account by a pro rata amount on the basis of revenue by each class. After implementation of the customer credit, the Applicant shall file a report with the Board setting out the implementation details of this direction. In that report, the

Applicant should satisfy the Board that all of the remaining excess revenue has been returned to the customers. Upon disposition of the remaining balance, the Applicant is relieved from recording the excess revenue and associated interest.

Subject to these adjustments, the Board finds that the Applicant's proposals in the Revised Application conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

THE BOARD ORDERS THAT:

1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.

2) The Applicant shall notify its customers of the rate changes, and the one time credit, coincident with the first bill reflecting the new rates.

DATED at Toronto, April 5, 2002.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0073
EB-2002-0082

April 5, 2002

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Hearst Power Distribution Company Ltd.
Schedule of Rates and Charges
Effective March 1, 2002

RP-2002-0073
EB-2002-0082

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31
Summer: All Hours, April 1 through September 30
Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.
Off Peak: All Other Hours.

Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.

RESIDENTIAL

Monthly Service Charge	(per month)	$5.75
Distribution Volumetric Rate	(per kWh)	$0.0065
Cost of Power Rate	(per kWh)	$0.0737

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$3.79
Distribution Volumetric Rate	(per kWh)	$0.0066
Cost of Power Rate	(per kWh)	$0.0726

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$24.15
Distribution Volumetric Rate	(per kW)	$1.9777
Cost of Power Demand Rate	(per kW)	$1.7100
Cost of Power Energy Rate	(per kWh)	$0.0644

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	$43.52
Distribution Volumetric Rate	(per kW)	$0.4237
Cost of Power - Winter Peak	(per kW)	$10.8450
Cost of Power - Summer Peak	(per kW)	$8.1180
Cost of Power - Winter Peak	(per kWh)	$0.0725
Cost of Power - Winter Off Peak	(per kWh)	$0.0433
Cost of Power - Summer Peak	(per kWh)	$0.0612
Cost of Power - Summer Off Peak	(per kWh)	$0.0320

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$3.12
Distribution Volumetric Rate	(per kW)	$0.5654
Cost of Power Demand Rate	(per kW)	$22.6300

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$0.76
Distribution Volumetric Rate	(per kW)	$0.6439
Cost of Power Demand Rate	(per kW)	$22.6200

UNMETERED SCATTERED LOADS

Un-metered scattered loads will be billed as General Service <50 kW

Monthly Service Charge	(per connection)	$3.79
Distribution Volumetric Rate	(per kWh)	$0.0066
Cost of Power Rate	(per kWh)	$0.0726

SPECIFIC SERVICE CHARGES

Late Payment	(per month)	1.50%
	(per annum)	19.56%
Returned cheque charge (actual bank charges plus)		$8.00
Collection of account charge		$8.25
Reconnection - during regular working hours		$16.00
Account set up charge		$8.25
Arrear's certificate charge		$10.00
Dispute involvment charge		$5.00

Credits

Allowance (per kW) for customer owned transformers, service at less than 115 kv .	$0.60

Bkd mtg - March 29/04
Copie CAO

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Toronto ON M4P 1E4
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26e étage
Toronto ON M4P 1E4
Téléphone; (416) 481-1967
Télécopieur: (416) 440-7656

Ontario

March 17, 2004

Nicole Leduc
General Manager
Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst ON
P0L 1N0

REÇU Le
22 MAR. 2004
Éd.

Dear Ms. Leduc:

Re: Distribution Rate Application
Board Decision and Order and Interim Rate Schedule

Attached is the Board's Decision and Order and Interim Rate Schedule with respect to your company's distribution rate application regarding the partial recovery of Regulatory Assets.

Yours truly,

P. O'Dell

Peter H. O'Dell
Assistant Secretary

cc. Intervenors of record

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2004-0056
EB-2004-0042

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Hearst Power Distribution Company Limited for an order or orders approving or fixing just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

On January 15, 2004 the Ontario Energy Board (the "Board") issued filing guidelines to all electricity distribution utilities for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

The Applicant filed an application for such adjustment. Notice of the proceeding was published on February 5, 2004 in major newspapers in the province.

The Applicant proposed to carry over the negative amount of its Regulatory Assets to the 2005 application. The Board finds that the interim rates approved herein should reflect clearance of the negative RSVA amounts and recovery of 25% of the non-RSVA Regulatory Asset amounts. The attached rate schedule reflects this finding.

While the Board had originally intended to approve the disposal of RSVA amounts on a final basis, on analysis of the applications by distributors and the reporting of RSVA amounts in these applications, the Board has now determined that all rate changes should be interim. In the Board's view, it would be premature to set these rates final based on the quality of the data contained in many of the applications and the fact that the audit sampling process by the Board has not been completed.

The Board received some interventions in these proceedings, mainly concerned with Phase Two of the process. The only intervenor to make specific submissions on Phase One of the proceeding was the School Energy Coalition ("SEC") who objected to any interim increase in rates over and above the RSVA amounts on the basis that appropriate evidence had not been filed on these amounts. The Board is not convinced by SEC's arguments and sees no substantive reason that Phase One cannot proceed. Phase One only contemplates partial recovery on an interim basis at this time. In Phase Two, the Board will review all applications to ensure that only prudent and reasonably incurred costs are recovered over the four year period mandated by the Minister.

In light of the above, the Board finds that it is in the public interest to order as follows.

THE BOARD ORDERS THAT:

1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.

2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the

first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 17, 2004

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Secretary

Interim Rates
Hearst Power Distribution Company Limited
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2004
Implementation Date: April 1, 2004

RP-2004-0056
EB-2004-0042

RESIDENTIAL

Monthly Service Charge	(per month)	$5.75
Distribution Volumetric Rate	(per kWh)	$0.0062

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$3.79
Distribution Volumetric Rate	(per kWh)	$0.0062

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	$24.15
Distribution Volumetric Rate	(per kW)	$1.8218

GENERAL SERVICE - INTERMEDIATE USE

Monthly Service Charge	(per month)	$43.52
Distribution Volumetric Rate	(per kW)	$0.2074

SENTINEL LIGHTS

Monthly Service Charge	(per connection)	$3.12
Distribution Volumetric Rate	(per kW)	$0.8196

STREET LIGHTING

Monthly Service Charge	(per connection)	$0.76
Distribution Volumetric Rate	(per kW)	$0.6642

UNMETERED SCATTERED LOADS

Unmetered scattered loads will be billed as General Service <50 kW

Monthly Service Charge	(per month)	$3.79
Distribution Volumetric Rate	(per kWh)	$0.0062

Ontario Energy Board
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Télécopieur: (416) 440-7656

Ontario

REÇU Le
25 JUIN 2004
Rép.....

June 22, 2004

Nicole Leduc
General Manager
Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst ON
P0L 1N0

Dear Ms. Leduc:

Re: Distribution Rate Application - RP-2004-0056/EB-2004-0042/EB-2004-0385
Board Decision and Order on Motion to Vary and Interim Rate Schedule

Attached is the Board's Decision and Order on Motion to Vary and Interim Rate Schedule with respect to the above application and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell
Acting Board Secretary

cc. Intervenors of record

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2004-0056
EB-2004-0042
EB-2004-0385

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF a Motion to Vary application by Hearst Power Distribution Company Limited.

BEFORE: Paul Vlahos
Presiding Member

Bob Betts
Member

DECISION AND ORDER ON MOTION TO VARY

On March 17, 2004, the Ontario Energy Board ("the Board") issued a Decision and Order for an application by Hearst Power Distribution Company Limited ("Hearst Power") regarding distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

On May 17, 2004, Hearst Power filed a Motion to Vary the Board's Decision and Order, citing certain data errors in its previous application. The Board assigned file number RP-2004-0056/EB-2004-0042/EB-2004-0385 to the Motion to Vary application.

Specifically, clerical errors were made by Hearst Power in reporting 2002 customer connection data for the Sentinel Lights and Street Lighting rate classes. As well, there was a clerical error by Hearst Power in reporting the base rate for Street Lighting. The requested corrections would result in rate reductions for both Sentinel Lights and Street Lighting and would not affect the rates for other rate classes.

Hearst Power noted that both Sentinel Lights and Street Lighting customers have been billed pursuant to the rates approved by the Board on March 17, 2004. Upon approval of the new rates flowing from the Motion to Vary, Hearst Power intends to rebate to the affected customers the overcollected amounts on the next billing.

The Board finds that it is appropriate to approve the applied for correction of rates.

THE BOARD ORDERS THAT:

1) The rate schedule attached to the March 17, 2004 Decision and Order are replaced by the attached rate schedule, effective March 1, 2004, to be implemented July 1, 2004.

2) Hearst Power refund the affected customers the overcollected amounts for the period April 1, 2004 to June 30, 2004 and inform the Board of the details of the refunds as soon as the process is completed.

DATED at Toronto, June 22, 2004

Signed on behalf of the Panel

Paul Vlahos
Presiding Member

Interim Rates
Hearst Power Distribution Company Limited
Schedule of Changed Distribution Rates and Charges

RP-2004-0056
EB-2004-0042
EB-2004-0385

Effective Date: March 1, 2004
Implementation Date: July 1, 2004

RESIDENTIAL			
Monthly Service Charge	(per month)	$	5.75
Distribution Volumetric Rate	(per kWh)	$	0.0062
GENERAL SERVICE < 50 KW			
Monthly Service Charge	(per month)	$	3.79
Distribution Volumetric Rate	(per kWh)	$	0.0062
GENERAL SERVICE > 50 KW (Non Time of Use)			
Monthly Service Charge	(per month)	$	24.15
Distribution Volumetric Rate	(per kW)	$	1.8218
GENERAL SERVICE INTERMEDIATE USE			
Monthly Service Charge	(per month)	$	43.52
Distribution Volumetric Rate	(per kW)	$	0.2074
SENTINEL LIGHTS (Non Time of Use)			
Monthly Service Charge	(per month)	$	3.12
Distribution Volumetric Rate	(per kW)	$	0.5520
STREET LIGHTING (Non Time of Use)			
Monthly Service Charge	(per month)	$	0.76
Distribution Volumetric Rate	(per kW)	$	0.5159
Unmetered Scattered Loads			
Billed at General Service <50 kW rates			
Monthly Service Charge	(per month)	$	3.79
Distribution Volumetric Rate	(per kWh)	$	0.0062

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Ontario

March 31, 2005

BY PRIORITY POST

Nicole Leduc
General Manager
Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst ON
P0L 1N0

REÇU Le
07 AVR. 2005
Rép.....

Dear Ms. Leduc:

Re: 2005 Electricity Distribution Rates
Board Decision and Order
Board File No. RP-2005-0013\EB-2005-0038

The Board has now issued its Decision and Order for the above referenced proceeding and a copy is enclosed

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0038

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by **Hearst Power Distribution Company Ltd.** for an order or orders approving or fixing just and reasonable rates.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Vlahos
Member

Pamela Nowina
Member

DECISION AND ORDER

Background and Application

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application for adjustments to their rates for the following amounts:

MARR: $ 0
2005 PILs Proxy: $ 36,994
Regulatory Assets Second Tranche: $ 37,001

The Applicant also applied for recovery of amounts and/or items outside of the guidelines. Specifically, the Applicant requested:

- Approval to create a Deferral/Variance account for C&DM and guidance from the Board.
- Revenue shift of $20,000 from GS > 50 kW to the Intermediate Class to obtain distribution rates for the Intermediate Class that exceed the utilities current Transformer Allowance of $0.60 per kW.
- Creation of a rate rider credit to return the 2003 negative RSVA balance to customers.

Submissions

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

The Applicant was not specifically named in any of these submissions.

The full record of the proceeding is available for review at the Board's offices.

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

At this time, the Board will approve only the portion of the application that conforms to the guidelines as the generic notice published informed customers and the public of only the changes contemplated in the guidelines. The Applicant may wish to apply for other specific changes to rates in a separate application.

Consequently, the Board denies the Applicant's request for approval for a revenue shift of $20,000 from the GS > 50 kW class to the Intermediate class. Regarding the request for a Deferral/Variance account for the 2005 C & DM amount, the Board refers the Applicant to a separate process (RP-2004-0203 - Conservation and Demand Management), currently before the Board which deals with C & DM matters.

However, the Board approves the use of negative rate riders for the RSVA refund as a measure against issuing negative distribution rates for the affected classes.

Subject to these adjustments, the Board finds that the application conforms with earlier decisions of the Board directives and guidelines.

The Board will issue a separate decision on cost awards.

THE BOARD ORDERS THAT:

1) The rate schedule attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.

2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

DATED at Toronto, March 31, 2005
ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0038

March 31, 2005

ONTARIO ENERGY BOARD

Hearst Power Distribution Company Limited RP-2005-0013
Schedule of Changed Distribution Rates and Charges EB-2005-0038
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RESIDENTIAL

Monthly Service Charge	(per month)	$5.40
Distribution Volumetric Rate	(per kWh)	$0.0076
Rate Rider Credit	(per kWh)	-$0.0027

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$3.60
Distribution Volumetric Rate	(per kWh)	$0.0071
Rate Rider Credit	(per kWh)	-$0.0027

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	$21.49
Distribution Volumetric Rate	(per kW)	$2.1336
Rate Rider Credit	(per kWh)	-$0.0027

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	$41.08
Distribution Volumetric Rate	(per kW)	$0.4548
Rate Rider Credit	(per kWh)	-$0.0027

SENTINEL LIGHTS

Monthly Service Charge	(per connection)	$2.94
Distribution Volumetric Rate	(per kW)	$2.0154
Rate Rider Credit	(per kWh)	-$0.0027

STREET LIGHTING

Monthly Service Charge	(per connection)	$0.72
Distribution Volumetric Rate	(per kW)	$0.9929
Rate Rider Credit	(per kWh)	-$0.0027

UNMETERED SCATTERED LOAD

Billed at General Service < 50 kW rates

Monthly Service Charge	(per month)	$3.60
Distribution Volumetric Rate	(per kWh)	$0.0071
Rate Rider Credit	(per kWh)	-$0.0027

The rates on this schedule include an interim recovery of Regulatory Assets.

Appendix 2 of 5

Originall Board Approved SIMPILS

	A	B	C	D
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**			
2	**REGULATORY INFORMATION (REGINFO)**			
3				
4	Hearst Power Distribution Company Ltd.			**Amount**
5	Reporting period - Year 2002			
6				
7	**BACKGROUND**			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	n
14				
15	Accounting Year End		Date	Dec. 31
16				
17	**MARR NO TAX CALCULATIONS**			
18	**SHEET #7 FINAL RUD MODEL DATA**			
19	**(FROM 1999 FINANCIAL STATEMENTS)**			
20	**USE BOARD-APPROVED AMOUNTS**			
21				
22	Rate base (wires-only)			2,446,312
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			209,527
33				
34	1999 return from RUD Sheet #7			209,527
35				
36	Total Incremental revenue			0
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			
40	Amount allowed in 2002, Year 2			0
41	Amount allowed in 2003, Year 3			
42				
43	Equity			1,223,156
44				
45	Return at target ROE			120,848
46				
47	Debt			1,223,156
48				
49	Deemed interest amount in EBIT			88,679
50				
51	Phase-in of interest - Year 1			88,679
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			88,679
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			88,679
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
6												
7	Hearst Power Distribution Company Ltd.										Column	
8	Reporting period - Year 2002										Brought	
9											Forward	
10											From	
11											TAXREC	
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1	209,527	1A	-209,527			1B	86,141		86,141	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2	132,380	2A	-132,380			2B	145,990		145,990	2C
21	Federal Large Corporation Tax	3		3A	0			3B	4,597		4,597	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6	0	6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8	-107,588	8A	107,588			8B	-132,228		-132,228	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11	0	11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12	-88,679	12A	88,679			12B	0		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	-238		-238	13C
39												
40	REGULATORY TAXABLE INCOME		145,640		-145,640		0		104,262		104,262	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	19.1200%	14A	0.0000%		19.1200%	14B	0.0000%		19.1200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		27,846		-27,846		0		19,935		19,935	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		27,846		-27,846		0		19,935		19,935	
52												
53												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16	2,446,312	16A	-2,446,312			16B	4,294,817		4,294,817	16C
60	Less: Exemption	17	-2,446,312	17A	2,446,312			17B	-4,294,817		-4,294,817	17C
61	Deemed Taxable Capital		0		0		0		0		0	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		0		0		0		0		0	
66												
67	*Federal (LCT)*											
68	Base	19	2,446,312	19A	-2,446,312			19B	4,339,460		4,339,460	19C
69	Less: Exemption	20	-2,446,312	20A	2,446,312			20B	-4,339,460		-4,339,460	20C
70	Deemed Taxable Capital		0		0		0		0		0	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		0		0		0		0		0	
75	Less: Federal Surtax	22	0	22A	0		0	22B	-1,168		-1,168	22C
76												
77	Net LCT		0		0		0		-1,168		-1,168	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	34,429	23A	-34,429		0	23B	0			n/a
83	LCT (grossed-up)	24	0	24A	0		0	24B	0			n/a
84	Ontario Capital Tax	25	0	25A	0		0	25B	0			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		34,429		-34,429		0		0			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-88,679			
122	Interest phased-in - (Deferral Account Cell G34)								0			
123												
124	Variance due to phase-in of debt stucture								-88,679			
125	according to Rate Handbook											
126												
127	**Other Interest Variances (ie Borrowing Levels**											
128	**Above Deemed Debt per Rate Handbook)**											
129												
130	Interest deducted on MoF filing (Cell K34)								0			
131	Total deemed interest (REGINFO CELL D49)								88,679			
132												
133	Variance caused by excess debt								88,679			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								0			
138												

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
7	Hearst Power Distribution Company Ltd.					
8	Reporting period - Year 2002					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	**I) CORPORATE INCOME TAXES**					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1	770,121		770,121	
16	Other Income	2	196,987	-17,030	179,957	
17	Expenses					
18	Administration	3	-548,477		-548,477	
19	Distribution	4			0	
20	Operations and Maintenance	5	-157,074		-157,074	
21	Depreciation and Amortization	6	-145,990		-145,990	
22	Municipal Property Taxes	7			0	
23	Ontario Capital Tax	8	-7,799		-7,799	
24	Federal LCT	9	-4,597		-4,597	
25						
26	**Net Income Before Interest & Income Taxes EBIT**	10	103,171	-17,030	86,141	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		145,990	0	145,990	2C
30	Federal Large Corporation Tax		4,597	0	4,597	3C
31	Employee benefit plans-accrued, not paid				0	4C
32	Change in tax reserves				0	5C
33	Regulatory adjustments				0	6C
34	Other additions "Material" Item #1				0	7C
35	Other additions "Material" Item #2				0	7C
36			150,587	0	150,587	
37	*Other Additions:* **(From T2 S1)**					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
60	Foreign affiliate property income				0	7C
61						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year				0	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year				0	7C
75	Loss from joint ventures				0	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	*Other Additions:*				0	7C
83					0	
84	*Total Other Additions*		0	0	0	7C
85						
86	Total Additions		150,587	0	150,587	
87						
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance		-132,228		-132,228	8C
90	Employee benefit plans-paid amounts				0	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred				0	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			-132,228	0	-132,228	
97	*Other deductions:* **(From T2 S1)**					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction		-119		-119	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	*Other deductions:*				0	13C
131					0	
132					0	
133	*Total Other Deductions*		-119	0	-238	13C
134						
135	Total Deductions		-132,347	0	-132,466	
136						
137						
138	TAXABLE INCOME		121,411	-17,030	104,262	
139						
140						
141						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
142						
143						
144	**ONTARIO CAPITAL TAX**					
145						
146	**PAID-UP CAPITAL**					
147						
148	Paid-up capital stock		100		100	
149	Retained earnings (if deficit, deduct)		1,961,577		1,961,577	
150	Capital and other surplus excluding		553,783		553,783	
151	appraisal surplus				0	
152	Loans and advances		1,800,000		1,800,000	
153	Bank loans				0	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payeable				0	
157	Lien notes payable				0	
158	Deferred credits				0	
159	Contingent, investment, inventory and				0	
160	similar reserves				0	
161	Other reserves not allowed as deductions				0	
162	Share of partnership(s), joint venture(s)				0	
163	paid-up capital				0	
164	Sub-total		4,315,460	0	4,315,460	
165	Subtract:					
166	Amounts deducted for income tax				0	
167	purposes in excess of amounts booked				0	
168	Deductible R&D expenditures and ONTTI				0	
169	costs deferred for income tax				0	
170					0	
171	**Total (Net) Paid-up Capital**		4,315,460	0	4,315,460	
172						
173	**ELIGIBLE INVESTMENTS**					
174						
175	Bonds, lien notes, interest coupons				0	
176	Mortgages due from other corporations				0	
177	Shares in other corporations		24,000		24,000	
178	Loans and advances to unrelated corporations				0	
179	Eligible loans and advances to related				0	
180	corporations				0	
181	Share of partnership(s) or joint venture(s)				0	
182	eligible investments				0	
183						
184	**Total Eligible Investments**		24,000	0	24,000	
185						
186						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
187						
188	**TOTAL ASSETS**					
189						
190	Total assets per balance sheet		5,017,241		5,017,241	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	**Total assets as adjusted**		5,017,241	0	5,017,241	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments		1	1	2	
211						
212	**Total Assets**		5,017,242	1	5,017,243	
213						
214	**Investment Allowance**					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		20,643	0	20,643	
218						
219	**Taxable Capital**					
220						
221	Net paid-up capital		4,315,460	0	4,315,460	
222	Subtract: Investment Allowance		-20,643	0	-20,643	
223					0	
224	Taxable Capital		4,294,817	0	4,294,817	
225						
226	**Capital Tax Calculation**					
227						
228	Taxable capital		4,294,817	0	4,294,817	16C
229						
230	Deduction from taxable capital up to $5,000,000		-4,294,817		-4,294,817	17C
231						
232	Net Taxable Capital		0	0	0	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		365	365	365	
237	Divide days by 365		1.0000	1.0000	1.0000	
238						
239	**Ontario Capital Tax**		0	0	0	

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
240						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
241						
242						
243	**LARGE CORPORATION TAX**					
244						
245	**CAPITAL**					
246						
247	ADD:					
248	Reserves that have not been deducted in				0	
249	computing income for the year under Part I				0	
250	Capital stock		100		100	
251	Retained earnings		1,961,577		1,961,577	
252	Contributed surplus		553,783		553,783	
253	Any other surpluses				0	
254	Deferred unrealized foreign exchange gains				0	
255	All loans and advances to the corporation		1,800,000		1,800,000	
256	All indebtedness- bonds, debentures, notes,				0	
257	mortgages, bankers acceptances, or similar				0	
258	obligations				0	
259	Any dividends declared but not paid				0	
260	All other indebtedness outstanding for more				0	
261	than 365 days				0	
262						
263	Subtotal		4,315,460	0	4,315,460	
264						
265	DEDUCT:					
266	Deferred tax debit balance				0	
267	Any deficit deducted in computing				0	
268	shareholders' equity				0	
269	Any patronage dividends 135(1) deducted in				0	
270	computing income under Part I included in				0	
271	amounts above				0	
272	Deferred unrealized foreign exchange losses				0	
273						
274	Subtotal		0	0	0	
275						
276	**Capital for the year**		4,315,460	0	4,315,460	
277						
278	**INVESTMENT ALLOWANCE**					
279						
280	Shares in another corporation		24,000		24,000	
281	Loan or advance to another corporation				0	
282	Bond, debenture, note, mortgage, or				0	
283	similar obligation of another corporation				0	
284	Long term debt of financial institution				0	
285	Dividend receivable from another corporation				0	
286	Debts of corporate partnerships that were not				0	
287	exempt from tax under Part I.3				0	
288	Interest in a partnership				0	
289						
290	**Investment Allowance**		24,000	0	24,000	
291						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
292						
293	**TAXABLE CAPITAL**					
294						
295	Capital for the year		4,315,460	0	4,315,460	
296						
297	Deduct: Investment allowance		24,000	0	24,000	
298						
299	Taxable Capital for taxation year		4,339,460	0	4,339,460	19C
300						
301	Deduct: Capital Deduction $10,000,000		-4,339,460		-4,339,460	20C
302						
303	**Taxable Capital**		0	0	0	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		365	365	365	
308	Divide days by 365		1.0000	1.0000	1.0000	
309						
310	**Gross Part I.3 Tax LCT**		0	0	0	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		1,360	-191	1,168	
315						
316	**Net Part I.3 Tax LCT Payable**		-1,360	191	-1,168	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

SECTION 93 PILs TAX GROSS-UP	PROXY CALCULATION FOR 2005	PILS2005.V1.1

REGULATORY INFORMATION (REGINFO)

Utility Name:	**Hearst Power**	
File Number:	**RP-2005-0013**	
	EB-2005-0002	
Reporting period:	**Jan. 1, 2005 to Dec. 31, 2005**	
Days in reporting period:	**365**	
Total days in the calendar year:	**365**	

BACKGROUND

1. Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group? (Yes or No)	**No**
2. Please identify the percentage used to allocate the exemption.	**100.00%**
3. Please explain the basis of the allocation if the percentage is other than 100%.	
4. Accounting Year End	**31-Dec-05**

MARR NO TAX CALCULATIONS
FROM SHEET #7 FINAL 2001 RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)

Rate base (wires-only)	**$2,446,312.00**		
Common Equity Ratio (CER)	**50.00%**		
1-CER	50.00%		
Target Return On Equity (%)	**9.88%**		
Debt rate	**7.25%**		
			Regulatory Income
Market Adjusted Revenue Requirement	$209,527		
1999 return from RUD Sheet #7	$0		$0
Total Incremental revenue	$209,527		
	Based on Board's Decision (RP-2000-0069)	***Board-Approved Amounts***	
Amount allowed in 2001, Year 1	$69,842	$0	$0
Amount allowed in 2002, Year 2	$69,842	$209,527	$209,527
Amount allowed in 2003, Year 3	$69,842	$0	$0
Permanent Changes to Base Rate *(e.g. LPP 5% to 1.5%)*	$16,045		$16,045
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet			
Total Regulatory Income			**$225,572**
Equity	$1,223,156		
Return at target ROE	$120,848		
Debt	$1,223,156		
Deemed interest amount in EBIT	$88,679		

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: Hearst Power Reporting Period: Jan. 1, 2005 to Dec. 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
I) CORPORATE INCOME TAXES			
Regulatory Net Income	1	**$225,572**	
BOOK TO TAX ADJUSTMENTS			
Additions:			
Depreciation & Amortization	2	**$132,380**	
Employee Benefit Plans - Accrued, Not Paid	3	$0	
Tax reserves deducted in prior year	4	$0	
Reserves from financial statements-end of year	4	$0	
Regulatory Adjustments	5	$0	
Other Additions			
"Material" Items	6	$0	
Other Additions	6	$0	
"Material Items	6	$0	
Other Additions	6	$0	
Deductions:			
Capital Cost Allowance and CEC	7	**$107,588**	
Employee Benefit Plans - Paid Amounts	8	$0	
Items Capitalized for Regulatory Purposes	9	$0	
Regulatory Adjustments	10	$0	
Interest Expense Deemed	11	**$88,679**	
Tax reserves claimed in current year	4	$0	
Reserves from F/S beginning of year	4	$0	
Contributions to deferred income plans	3	$0	
Contributions to pension plans	3	$0	
Interest capitalized for accounting but deducted for tax	11	$0	
Other Deductions			
"Material" Items	12	$0	
C&DM 2005 Incremental OM&A expenses per C&DM Plan	12	**$0**	
Material Items	12	$0	
Other Deductions	12	$0	
REGULATORY TAXABLE INCOME		**$161,685**	
CORPORATE INCOME TAX RATE			
Deemed %	13	18.62%	
REGULATORY INCOME TAX		$30,106	
Taxable Income x Rate			
Miscellaneous Tax Credits	14	$0	
Total Regulatory Income Tax		**$30,106**	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: Hearst Power Reporting Period: Jan. 1, 2005 to Dec. 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
Percentage used to determine the exemptions for capital tax and large corporations tax		100%	
II) CAPITAL TAXES			
Ontario			
Rate Base	15	$2,446,312	
Less: Exemption	16	$7,500,000	
Deemed Taxable Capital		$0	
Rate (.3%)	17	0.3000%	
Net Amount (Taxable Capital x Rate)		**$0**	
Federal (LCT)			
Base	18	$2,446,312	
Less: Exemption	19	$50,000,000	
Deemed Taxable Capital		$0	
Rate (.175%)	20	0.1750%	
Gross Amount (Taxable Capital x Rate)		$0	
Less: Federal Surtax	21	$0	
Net LCT		**$0**	
III) INCLUSION IN RATES			
Income Tax Rate used for gross- up		18.62%	
Income Tax (grossed-up)	22	$36,994	
LCT (grossed-up)	23	$0	
Ontario Capital Tax	24	$0	
Total S. 93 PILs Rate Adjustment ***(Enter this amount in the 2005 RAM, Sheet #4, cell G14)***	**25**	**$36,994**	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

Corporate Tax Rates for 2005

Income Range	$0 to $400,000	$400,001 to $1,128,000	> $1,128,000
Income Tax Rate	18.62%	27.50%	36.12%
Capital Tax Rate	0.300%		
LCT Rate	0.175%		
Surtax	1.12%		
Ontario Capital Tax Exemption	$7,500,000		
Federal Large Corporations Tax Exemption	$50,000,000		

Conservation and Demand Management Tax Forecast

Utility Name: Hearst Power
File Number: RP-2005-0013
EB-2005-0002

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30th 2007		Total	
	$	%	$	%	$	%	$	%
Capital							$0	
Tax Deductible Expense								
Total	$0	0%	$0	0%	$0	0%	$0	0%

Notes:

1. Capital that will be recognized for tax purposes (i.e. UCC addition), not from a capital budget or commitment perspective.

2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 tax deduc expense amount will be entered automatically into the TAXCALC worksheet, cell C44.

3. The amounts shown in the "Total" column should agree with the C&DM plan filed with or approved by the Board. The amount of the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.

Appendix 3 of 5

Original Board Approved RAMs

SHEET 1 - December 31, 2002 Regulatory Assets

Revised for Regulatory assets

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY LIMITED	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

Enter the total applied-for regulatory asset amounts for each account in the appropriate cells below:
(These amounts should correspond to your December 31, 2002 regulatory filings with the OEB.)

Description	**Account Number**		**Applied-for Amount Balance as at Dec. 31, 2002**
RSVA - Wholesale Market Service Charge	1580		$80,206
RSVA - Retail Transmission Network Charge	1584		-$44,922
RSVA - Retail Transmission Connection Charge	1586		-$27,838
RSVA - Power	1588		-$61,717
Sub-Total			-$54,271
RSVA - One-time Wholesale Market Service	1582		$0
Other Regulatory Assets	1508		$0
Retail Cost Variance Account - Retail	1518		$0
Retail Cost Variance Account - STR	1548		$0
Misc. Deferred Debits - incl. Rebate Cheques	1525		$3,752
Deferred Payments in Lieu of Taxes	1562		$0
PILs Contra Account	1563		$0
Qualifing Transition Costs	1570		$94,812
Pre-Market Opening Energy Variances Total	1571		-$47,375
Pre-Market Opening Energy Variances - 2001		-$214,259	
Pre-Market Opening Energy Variances - 2002		$166,884	
Extra-Ordinary Event Losses	1572		$0
Deferred Rate Impact Amounts	1574		$0
Other Deferred Credits	2425		$0
Total Applied-for Regulatory Assets		**(a)**	-$3,082
(1) Total of 4 RSVA Accounts		**(b)**	-$54,271 Approved for 2004 Final Recovery
4 RSVA accounts as a percent of total: (b) / (a)			1760.7%
(2) 25 % of (a)		**(c)**	-$771

If (b) is greater than (c) go to Section 1

If (b) is less than (c) go to Section 2

Section 1: For LDCs with 4 RSVA accounts greater than 25 % of Total:

25% of total applied-for Regulatory Asset Accounts: Amount (c)	-$771	Approved for Final 2004 Rate Recovery
Gross Up for Recovery over 11 months: Amount (c) x 12/11	-$841	Enter this amount on Sheet 3 (Therefore, entry on Sheet 5 is zero.)
Remaining Final Amount to be recovered in future periods (b) - (c)	-$53,500	Ignore minus sign

Section 2: For LDCs with 4 RSVA accounts less than 25 % of Total:

25% of total applied-for Regulatory Asset Accounts: Amount (c)		-$771	Approved for 2004 Rate Recovery
Final 4 RSVA Amount as shown at (b)		-$54,271	
Gross Up for Recovery over 11 months: Amount (b) x 12/11		-$59,205	Enter this amount on Sheet 3
Interim Amount to be recovered (c) - (b)	**(d)**	$53,500	
Gross Up for Recovery over 11 months: Amount (d) x 12/11		$58,364	Enter this amount on Sheet 5
Total Final + Interim Amount for Recovery (b) + (d) (no gross up)		-$771	

Rate Implementation

	Check Box Yes or No
Our utility is able to pro-rate the bill so that consumption before April 1 is at the old rates and post April 1 consumption is billed at the new rates.	**Yes**
Our utility is not able to pro-rate consumption and therefore our customers will not be charged the new rates until the completion of an entire billing cycle.	

SHEET 2 - 2002 Base Rate Schedule

V1

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY LI	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

Enter the values for your 2002 Base Rates as shown in your 2002 RA Model at Sheet 4.
This is the version of the model that was used to determine your current OEB approved rate schedule.
(This removes the impact of the recovery of Q4 2001 PILs, 2002 PILs, and any Z-factors or Interim Transition Cost approvals from Existing Rates).
You may adjust the rate classes if your LDC has non-standard classes.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0062
MONTHLY SERVICE CHARGE (Per Customer)	$5.40

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0062
MONTHLY SERVICE CHARGE (Per Customer)	$3.60

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.8720
MONTHLY SERVICE CHARGE (Per Customer)	$21.49

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

Interval Metered

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	$0.4033
MONTHLY SERVICE CHARGE (Per Customer)	$41.08

LARGE USE

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.5043
MONTHLY SERVICE CHARGE (Per Connection)	$2.94

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.6065
MONTHLY SERVICE CHARGE (Per Connection)	$0.72

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

Unmetered Scattered Loads

DISTRIBUTION KWH RATE	$0.0062
MONTHLY SERVICE CHARGE (Per Customer)	$3.60

RESIDENTIAL - Suburban

DISTRIBUTION KWH RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW - Suburban

DISTRIBUTION KWH RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

RESIDENTIAL - Suburban Seasonal

DISTRIBUTION KWH RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES BELOW.
Please enter these charges exactly as they are entered on your current approved rate schedule.

Please add your own specific charges as necessary.

Late Payment	(per month)		1.50%
	(per annum)		19.56%
Returned cheque charge (actual bank charges plus)		$	8.00
Collection of account charge		$	8.25
Reconnection - during regular working hours		$	16.00
Account set up charge		$	8.25
Arrear's certificate charge		$	10.00
Dispute involvment charge		$	5.00
Credits			
Allowance (per kW) for customer owned transformers, service at less than 115 kv .			$0.60
		$	-
		$	-
		$	-
		$	-
		$	-
		$	-
		$	-
		$	-

SHEET 3 - Calculating Rate Increases using 2002 LDC Data and adding the 4 major 2004 RSVA related Approved

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPAI	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule requires LDCs to input the 2002 statistics which will be used to allocate Regulatory Assets related to the 4 major RSVA accounts.
The 4 RSVA related accounts will be allocated to the customer classes on the basis of kWh sales.

Enter the Approved Regulatory Asset recovery from Sheet 1 at either cell D57 or D72. $ (59,205.00)
If the total of the 4 major RSVA related Regulatory Assets is less than 25% of the total Regualtory Assets applied for,
enter the additional interim approved amount on Sheet 5.

Use the Table below to enter the 2002 statistics for your LDC.
The share of class kWh sold in 2002 is used to allocate the approved final Regulatory Asset amounts related to the 4 major RSVA accounts.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 kWh Shares	2002 Reg. Asset RSVA Allocations
RESIDENTIAL CLASS		27,598,086	2,303	$369,833.00	25.3%	-14956.69635
GENERAL SERVICE <50 KW CLASS		12,005,267	392	$116,994.00	11.0%	-6506.216885
GENERAL SERVICE >50 KW NON TIME OF USE	59,974	21,776,077	38	$142,253.00	19.9%	-11801.47679
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	0
Interval Metered	0	0	0	$0.00	0.0%	0
INTERMEDIATE USE	113,258	46,713,225	3	$45,741.00	42.8%	-25316.08612
LARGE USER CLASS	0	0	0	$0.00	0.0%	0
SENTINEL LIGHTS	184	63,674	24	$2,045.00	0.1%	-34.50792506
STREET LIGHTING CLASS	2,988	1,088,697	1	$10,841.00	1.0%	-590.0159325
Unmetered Scattered Loads	-	0	0	$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban	-	0	0	$0.00	0.0%	0
GENERAL SERVICE <50 KW CLASS - Suburban	-	0	0	$0.00	0.0%	0
GENERAL SERVICE >50 KW NON TIME OF USE-Suburban	0	0	0	$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban Seasonal	-	0	0	$0.00	0.0%	0
TOTALS		109,245,026	2,761	$ 687,707.00	1.00	$ (59,205.00)
		Allocated Total for 4 major RSVA accounts ==>				$ (59,205.00)

Residential Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	$ (14,956.70)	$ -	$ (14,956.70)
(B) RETAIL kWh in 2002	27,598,086		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.000542)		

General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G23 above)	$ (6,506.22)	$ -	$ (6,506.22)
(B) RETAIL kWh in 2002	12,005,267		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.000542)		

General Service >50kW Class Non TOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)	$ (11,801.48)	$ -	$ (11,801.48)
(B) RETAIL KW in 2002	59,974		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.196777)		

General Service >50kW ClassTOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Interval Metered

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%

(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G26 above)	$ (25,316.09)	$ -	$ (25,316.09)
(B) RETAIL KW in 2002	113,258		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.223526)		

Large User Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Sentinel Lighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G28 above)	$ (34.51)	$ -	$ (34.51)
(B) RETAIL KW in 2002	184		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.187543)		

Streetlighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G29 above)	$ (590.02)	$ -	$ (590.02)
(B) RETAIL KW in 2002	2,988		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.197462)		

Unmetered Scattered Loads

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Residential Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

General Service <50kW Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

		VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
		1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G23 above)		$ -	$ -	$ -
(B) RETAIL kWh in 2002	0			
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!			

General Service >50kW Class Non TOU - Suburban

Regulatory Assets will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
		1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)		$ -	$ -	$ -
(B) RETAIL KW in 2002	0			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!			

Residential Class - Suburban Seasonal

Regulatory Assets will be recovered only in the distribution kWh charge.

		VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
		1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)		$ -	$ -	$ -
(B) RETAIL kWh in 2002	0			
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!			

Regulatory Assets

SHEET 4 - 2004 Rates including 2004 Recovery of the 4 Major RSVA Accounts

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY LIMITE	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of the 4 major RSVA accounts.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0056
MONTHLY SERVICE CHARGE (Per Customer)	$5.40

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	-$0.0005
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0056
MONTHLY SERVICE CHARGE (Per Customer)	$3.60

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.6752
MONTHLY SERVICE CHARGE (Per Customer)	$21.49

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

Interval Metered

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	$0.1798
MONTHLY SERVICE CHARGE (Per Customer)	$41.08

LARGE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.3167
MONTHLY SERVICE CHARGE (Per Connection)	$2.94

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	-$0.1875
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.4090
MONTHLY SERVICE CHARGE (Per Connection)	$0.72

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	-$0.1975
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

Unmetered Scattered Loads

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$3.60

RESIDENTIAL - Suburban

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW - Suburban

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

RESIDENTIAL - Suburban Seasonal

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SHEET 5 - Calculating Rate Increases using 2002 LDC Data and additional Interim Regulatory Assets

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPAI	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate interim approved Regulatory Asset amounts required to achieve the 25% threshold. (If the 4 major RSVA accounts do not total to 25% or more of total Reguatory Assets applied for.)

The interim Regulatory Assets will be allocated to the customer classes on the basis of distribution revenue.

Enter the Interim Regulatory Asset recovery from Sheet 1 at cell D76. $ 13,960.64

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2002 Interim Reg. Asset Allocations
RESIDENTIAL CLASS	-	27,598,086	2,303	$369,833.00	53.8%	7507.710948
GENERAL SERVICE <50 KW CLASS	-	12,005,267	392	$116,994.00	17.0%	2375.010166
GENERAL SERVICE >50 KW NON TIME OF USE	59,974	21,776,077	38	$142,253.00	20.7%	2887.774767
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	0
Interval Metered	0	0	0	$0.00	0.0%	0
INTERMEDIATE USE	113,258	46,713,225	3	$45,741.00	6.7%	928.5547977
LARGE USER CLASS	0	0	0	$0.00	0.0%	0
SENTINEL LIGHTS	184	63,674	24	$2,045.00	0.3%	41.51405875
STREET LIGHTING CLASS	2,988	1,088,697	1	$10,841.00	1.6%	220.0752621
Unmetered Scattered Loads	-	0	0	$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban	-	0	0	$0.00	0.0%	0
GENERAL SERVICE <50 KW CLASS - Suburban	-	0	0	$0.00	0.0%	0
GENERAL SERVICE >50 KW NON TIME OF USE-Suburban	0	0	0	$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban Seasonal	-	0	0	$0.00	0.0%	0
TOTALS		109,245,026	2,761	$687,707.00	1.00	$ 13,960.64
		Allocated Total for additional interim amounts ==>				$ 13,960.64

Residential Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ 7,507.71	$ -	$ 7,507.71
(B) RETAIL kWh in 2002	27,598,086		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000272		

General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	$ 2,375.01	$ -	$ 2,375.01
(B) RETAIL kWh in 2002	12,005,267		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000198		

General Service >50kW Class Non TOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	$ 2,887.77	$ -	$ 2,887.77
(B) RETAIL KW in 2002	59,974		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.048150		

General Service >50kW ClassTOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Interval metered

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%

(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G26 above)	$ 928.55	$ -	$ 928.55
(B) RETAIL KW in 2002	113,258		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.008199		

Large User Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Sentinel Lighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G28 above)	$ 41.51	$ -	$ 41.51
(B) RETAIL KW in 2002	184		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.225620		

Streetlighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G29 above)	$ 220.08	$ -	$ 220.08
(B) RETAIL KW in 2002	2,988		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.073653		

Unmetered Scattered Loads

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Residential Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

General Service <50kW Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

General Service >50kW Class Non TOU - Suburban

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Residential Class - Suburban Seasonal

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

SHEET 6 - 2004 Rates including 2004 Recovery of Interim Regulatory Asset Amounts

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY LIMITE	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of interim Regulatory Asset Amounts if required to achieve the 25% Regulatory Asset threshold.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0059
MONTHLY SERVICE CHARGE (Per Customer)	$5.40

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	-$0.0003
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0058
MONTHLY SERVICE CHARGE (Per Customer)	$3.60

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.7233
MONTHLY SERVICE CHARGE (Per Customer)	$21.49

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

Interval Metered

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	$0.1880
MONTHLY SERVICE CHARGE (Per Customer)	$41.08

LARGE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.5424
MONTHLY SERVICE CHARGE (Per Connection)	$2.94

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.0381
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.4827
MONTHLY SERVICE CHARGE (Per Connection)	$0.72

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	-$0.1238
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

Unmetered Scattered Loads

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$3.60

RESIDENTIAL - Suburban

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW - Suburban

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

RESIDENTIAL - Suburban Seasonal

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SHEET 7 - Calculating Rate Increases using 2002 LDC Data and the 2004 PILs Proxy

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPAI	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount.
The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8. $ 34,428.72

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
RESIDENTIAL CLASS	-	27,598,086	2,303	$369,833.00	53.8%	18514.97193
GENERAL SERVICE <50 KW CLASS	-	12,005,267	392	$116,994.00	17.0%	5857.077724
GENERAL SERVICE >50 KW NON TIME OF USE	59,974	21,776,077	38	$142,253.00	20.7%	7121.620575
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	0
Interval Metered	0	0	0	$0.00	0.0%	0
INTERMEDIATE USE	113,258	46,713,225	3	$45,741.00	6.7%	2289.93446
LARGE USER CLASS	0	0	0	$0.00	0.0%	0
SENTINEL LIGHTS	184	63,674	24	$2,045.00	0.3%	102.3789591
STREET LIGHTING CLASS	2,988	1,088,697	1	$10,841.00	1.6%	542.7336411
Unmetered Scattered Loads	-	0	0	$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban	-	0	0	$0.00	0.0%	0
GENERAL SERVICE <50 KW CLASS - Suburban	-	0	0	$0.00	0.0%	0
GENERAL SERVICE >50 KW NON TIME OF USE-Suburban	0	0	0	$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban Seasonal	-	0	0	$0.00	0.0%	0
TOTALS		109,245,026	2,761	$687,707.00	1.00	$ 34,428.72
		Allocated Total for additional interim amounts ==>				$ 34,428.72

Residential Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G22 above)	$ 18,514.97	$ -	$ 18,514.97
(B) RETAIL kWh in 2002	27,598,086		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000671		

General Service <50kW Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2004 ALLOCATED PILs Proxy Recovery

		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G23 above)	$ 5,857.08	$ -	$ 5,857.08	
(B) RETAIL kWh in 2002	12,005,267			
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000488			

General Service >50kW Class Non TOU

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

		VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2004 ALLOCATED PILs Proxy Recovery
		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G24 above)	$ 7,121.62	$ -	$ 7,121.62	
(B) RETAIL KW in 2002	59,974			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.118745			

General Service >50kW ClassTOU

The 2004 PILs proxy will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2004 ALLOCATED PILs Proxy Recovery
		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G25 above)	$ -	$ -	$ -	
(B) RETAIL KW in 2002	0			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!			

Interval Metered

The 2004 PILs proxy will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2004 ALLOCATED PILs Proxy Recovery
		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G25 above)	$ -	$ -	$ -	
(B) RETAIL KW in 2002	0			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!			

Intermediate Class

The 2004 PILs proxy will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
		1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G26 above)		$ 2,289.93	$ -	$ 2,289.93
(B) RETAIL KW in 2002		113,258		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)		$0.020219		

Large User Class

The 2004 PILs proxy will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
		1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G27 above)		$ -	$ -	$ -
(B) RETAIL KW in 2002		0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)		#DIV/0!		

Sentinel Lighting Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

		VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
		1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G28 above)		$ 102.38	$ -	$ 102.38
(B) RETAIL KW in 2002		184		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)		$0.556407		

Streetlighting Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

		VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery

	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G29 above)	$ 542.73	$ -	$ 542.73
(B) RETAIL KW in 2002	2,988		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.181638		

Unmetered Scattered Loads

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Residential Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

General Service <50kW Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

General Service >50kW Class Non TOU - Suburban

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Residential Class - Suburban Seasonal

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

SHEET 8 - 2004 Rates including Recovery of 2004 PILs

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY LIMITE	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of 2004 PILs.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0066
MONTHLY SERVICE CHARGE (Per Customer)	$5.40

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0004
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0063
MONTHLY SERVICE CHARGE (Per Customer)	$3.60

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.8421
MONTHLY SERVICE CHARGE (Per Customer)	$21.49

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

Interval Metered

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	$0.2082
MONTHLY SERVICE CHARGE (Per Customer)	$41.08

LARGE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.0988
MONTHLY SERVICE CHARGE (Per Connection)	$2.94

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.5945
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.6643
MONTHLY SERVICE CHARGE (Per Connection)	$0.72

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.0578
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

Unmetered Scattered Loads

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$3.60

RESIDENTIAL - Suburban

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW - Suburban

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

RESIDENTIAL - Suburban Seasonal

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SHEET 9 - Adjustment to Maintain the Current Service Charge Level

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPAN`	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This sheet adjusts the resulting fixed Monthly Service Charge to maintain the charge at current levels.
The kWh distribution rate is then adjusted to maintain revenue neutrality in the class.

Input the current approved Monthly Service Charge in the following table at Column E.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Current Approved Fixed Charge
RESIDENTIAL CLASS	-	27,598,086	2,303	$5.75
GENERAL SERVICE <50 KW CLASS	-	12,005,267	392	$3.79
GENERAL SERVICE >50 KW NON TIME OF USE	59,974	21,776,077	38	$24.15
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00
Interval Metered	0	0	0	$0.00
INTERMEDIATE USE	113,258	46,713,225	3	$43.52
LARGE USER CLASS	0	0	0	$0.00
SENTINEL LIGHTS	184	63,674	24	$3.12
STREET LIGHTING CLASS	2,988	1,088,697	1	$0.76
Unmetered Scattered Loads	-	0	0	$3.79
RESIDENTIAL CLASS - Suburban	-	0	0	$0.00
GENERAL SERVICE <50 KW CLASS - Suburban	-	0	0	$0.00
GENERAL SERVICE >50 KW NON TIME OF USE-Suburban	0	0	0	$0.00
RESIDENTIAL CLASS - Suburban Seasonal	-	0	0	$0.00
TOTALS		109,245,026	2,761	

Residential Class

Revenue from Current Monthly Service Charge			$158,907
Revenue from Calculated Monthly Service Charge (Sheet 8)			$149,368
Difference			$9,539
Variable Rate Adjustment	$/kWh	$	0.0003
Adjusted Variable Rate	$/kWh		$ 0.0062

Residential Class (Time of Use)

Revenue from Current Monthly Service Charge			$158,907
Revenue from Calculated Monthly Service Charge (Sheet 8)			$149,368
Difference			$9,539
Variable Rate Adjustment	$/kWh	$	0.0003
Adjusted Variable Rate	$/kWh		$ 0.0001

General Service <50 kW Class

Revenue from Current Monthly Service Charge			$17,828
Revenue from Calculated Monthly Service Charge (Sheet 8)			$16,920
Difference			$908
Variable Rate Adjustment	$/kWh	$	0.0001
Adjusted Variable Rate	$/kWh		$ 0.0062

General Service >50 kW Class (Non Time of Use)

Revenue from Current Monthly Service Charge			$11,012	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$9,798	
Difference			$1,214	
Variable Rate Adjustment	$/kW	$	0.0202	
Adjusted Variable Rate	$/kW			$ 1.8218

General Service >50 kW Class (Time of Use)

Revenue from Current Monthly Service Charge			$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$0	
Difference			$0	
Variable Rate Adjustment	$/kW		#DIV/0!	
Adjusted Variable Rate	$/kW			#DIV/0!

Interval Metered

Revenue from Current Monthly Service Charge			$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$0	
Difference			$0	
Variable Rate Adjustment	$/kW		#DIV/0!	
Adjusted Variable Rate	$/kW			#DIV/0!

General Service Intermediate Use Class

Revenue from Current Monthly Service Charge			$1,567	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$1,479	
Difference			$88	
Variable Rate Adjustment	$/kW		0.000775398	
Adjusted Variable Rate	$/kW			$ 0.2074

General Service Large Use Class

Revenue from Current Monthly Service Charge			$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$0	
Difference			$0	
Variable Rate Adjustment	$/kW		#DIV/0!	
Adjusted Variable Rate	$/kW			#DIV/0!

SENTINEL LIGHTS (NON TIME OF USE)

Revenue from Current Monthly Service Charge			$899	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$847	
Difference			$51	
Variable Rate Adjustment	$/kW		0.279200408	
Adjusted Variable Rate	$/kW			$ 0.8196

OR

SENTINEL LIGHTS (TIME OF USE)

Revenue from Current Monthly Service Charge			$899	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$0	
Difference			$899	
Variable Rate Adjustment	$/kW		4.883478261	
Adjusted Variable Rate	$/kW			$ (4.2890)

Streetlighting (Non Time of Use)

Revenue from Current Monthly Service Charge		$9	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$9	
Difference		$1	
Variable Rate Adjustment	$/kW	0.0002	
Adjusted Variable Rate	$/kW		$ 0.6642

OR

Streetlighting (Time of Use)

Revenue from Current Monthly Service Charge		$9	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$9	
Variable Rate Adjustment	$/kW	0.00	
Adjusted Variable Rate	$/kW		$ 0.0548

Unmetered Scattered Loads

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kWh	#DIV/0!	
Adjusted Variable Rate	$/kWh		#DIV/0!

RESIDENTIAL - Suburban

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kWh	#DIV/0!	
Adjusted Variable Rate	$/kWh		#DIV/0!

GENERAL SERVICE < 50 KW - Suburban

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kWh	#DIV/0!	
Adjusted Variable Rate	$/kWh		#DIV/0!

GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kW	#DIV/0!	
Adjusted Variable Rate	$/kW		#DIV/0!

RESIDENTIAL - Suburban Seasonal

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kWh	#DIV/0!	

Adjusted Variable Rate	$/kWh	#DIV/0!

HEARST POWER DISTRIBUTION COMPANY LIMITED RP-2004-0056
Schedule of Distribution Rates and Charges EB-2004-0042
Effective April 1, 2004 until February 28, 2005

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL

Monthly Service Charge	(per month)	$5.75
Distribution Volumetric Rate	(per kWh)	$0.0062

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	$5.75
Distribution Volumetric Rate	(per kWh)	$0.0001

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$3.79
Distribution Volumetric Rate	(per kWh)	$0.0062

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$24.15
Distribution Volumetric Rate	(per kW)	$1.8218

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

Interval Metered

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	$43.52
Distribution Volumetric Rate	(per kW)	$0.2074

LARGE USE

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$3.12
Distribution Volumetric Rate	(per kW)	$0.8196

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	$3.12
Distribution Volumetric Rate	(per kW)	-$4.2890

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.76
Distribution Volumetric Rate	(per kW)	$0.6642

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	$0.76
Distribution Volumetric Rate	(per kW)	$0.0548

Unmetered Scattered Loads
Billed at General Service <50 kW rates

Monthly Service Charge	(per month)	$3.79
Distribution Volumetric Rate	(per kWh)	$0.0062

RESIDENTIAL - Suburban

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kWh)	#DIV/0!

GENERAL SERVICE < 50 KW - Suburban

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kWh)	#DIV/0!

GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

Monthly Service Charge	(per month)		$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!	

RESIDENTIAL - Suburban Seasonal

Monthly Service Charge	(per month)		$0.00
Distribution Volumetric Rate	(per kWh)	#DIV/0!	

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

Late Payment	(per month)		1.50%
	(per annum)		19.56%
Returned cheque charge (actual bank charges p		$	8.00
Collection of account charge		$	8.25
Reconnection - during regular working hours		$	16.00
Account set up charge		$	8.25
Arrear's certificate charge		$	10.00
Dispute involvment charge		$	5.00

Credits

Allowance (per kW) for customer owned transformers, service at less than 115 kv .	$0.60

Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

(commodity price constant)

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPAI	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill does not include the new tiered commodity rate that will come into effect on April 1, 2004.

Note: Enter your current kWh rates, not the rates on Sheet 2.

Enter your Current Distribution kWh Charge. Monthly Service Charge is Transferred from Sheet 9

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL					2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)					
ENTER DESIRED CONSUMPTION LEVEL	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
100 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	
DISTRIBUTION kWh	100	0.0065	$	0.65		DISTRIBUTION kWh	100	0.0062	$	0.62	
OTHER CHARGES kWh	100	0.0239	$	2.39		OTHER CHARGES kWh	100	0.0239	$	2.39	
COST OF POWER kWh	100	0.0430	$	4.30		COST OF POWER kWh	100	0.0430	$	4.30	
CURRENT 2003 BILL			$	13.09		Adjusted 2004 BILL			$	13.06	$ (0.03) -0.2%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
250 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	
DISTRIBUTION kWh	250	0.0065	$	1.63		DISTRIBUTION kWh	250	0.0062	$	1.55	
OTHER CHARGES kWh	250	0.0239	$	5.98		OTHER CHARGES kWh	250	0.0239	$	5.98	
COST OF POWER kWh	250	0.0430	$	10.75		COST OF POWER kWh	250	0.0430	$	10.75	
CURRENT 2003 BILL			$	24.10		Adjusted 2004 BILL			$	24.03	$ (0.07) -0.3%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
500 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	
DISTRIBUTION kWh	500	0.0065	$	3.25		DISTRIBUTION kWh	500	0.0062	$	3.11	
OTHER CHARGES kWh	500	0.0239	$	11.95		OTHER CHARGES kWh	500	0.0239	$	11.95	
COST OF POWER kWh	500	0.0430	$	21.50		COST OF POWER kWh	500	0.0430	$	21.50	
CURRENT 2003 BILL			$	42.45		Adjusted 2004 BILL			$	42.31	$ (0.14) -0.3%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
750 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	
DISTRIBUTION kWh	750	0.0065	$	4.88		DISTRIBUTION kWh	750	0.0062	$	4.66	
OTHER CHARGES kWh	750	0.0239	$	17.93		OTHER CHARGES kWh	750	0.0239	$	17.93	
COST OF POWER kWh	750	0.0430	$	32.25		COST OF POWER kWh	750	0.0430	$	32.25	
CURRENT 2003 BILL			$	60.80		Adjusted 2004 BILL			$	60.58	$ (0.22) -0.4%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
1000 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**	

	MONTHLY SERVICE CHARGE		n/a	n/a	$	5.75		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75			
	DISTRIBUTION kWh		1000	0.0065	$	6.50		DISTRIBUTION kWh	1000	0.0062	$	6.21			
	OTHER CHARGES kWh		1000	0.0239	$	23.90		OTHER CHARGES kWh	1000	0.02390	$	23.90			
	COST OF POWER kWh		1000	0.0430	$	43.00		COST OF POWER kWh	1000	0.0430	$	43.00			
	CURRENT 2003 BILL				$	79.15		Adjusted 2004 BILL			$	78.86	$	(0.29)	-0.4%

MONTHLY CONSUMPTION OF 1500 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.75		MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.75		
	DISTRIBUTION kWh	1500	0.0065	$ 9.75		DISTRIBUTION kWh	1500	0.0062	$ 9.32		
	OTHER CHARGES kWh	1500	0.0239	$ 35.85		OTHER CHARGES kWh	1500	0.0239	$ 35.85		
	COST OF POWER kWh	1500	0.0430	$ 64.50		COST OF POWER kWh	1500	0.0430	$ 64.50		
	CURRENT 2003 BILL			$ 115.85		Adjusted 2004 BILL			$ 115.42	$ (0.43)	-0.4%

MONTHLY CONSUMPTION OF 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.75		MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.75		
	DISTRIBUTION kWh	2000	0.0065	$ 13.00		DISTRIBUTION kWh	2000	0.0062	$ 12.42		
	OTHER CHARGES kWh	2000	0.0239	$ 47.80		OTHER CHARGES kWh	2000	0.0239	$ 47.80		
	COST OF POWER kWh	2000	0.0430	$ 86.00		COST OF POWER kWh	2000	0.0430	$ 86.00		
	CURRENT 2003 BILL			$ 152.55		Adjusted 2004 BILL			$ 151.97	$ (0.58)	-0.4%

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL 1000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$3.79		MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
	DISTRIBUTION kWh	1000	0.0066	$ 6.60		DISTRIBUTION kWh	1000	0.0062	$ 6.22		
	OTHER CHARGES kWh	1000	0.0229	$ 22.90		OTHER CHARGES kWh	1000	0.0229	$ 22.90		
	COST OF POWER kWh	1000	0.0430	$ 43.00		COST OF POWER kWh	1000	0.0430	$ 43.00		
	CURRENT 2003 BILL			$ 76.29		Adjusted 2004 BILL			$ 75.91	$ (0.38)	-0.5%

MONTHLY CONSUMPTION 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
	DISTRIBUTION kWh	2000	0.0066	$ 13.20		DISTRIBUTION kWh	2000	0.0062	$ 12.45		
	OTHER CHARGES kWh	2000	0.0229	$ 45.80		OTHER CHARGES kWh	2000	0.0229	$ 45.80		
	COST OF POWER kWh	2000	0.0430	$ 86.00		COST OF POWER kWh	2000	0.0430	$ 86.00		
	CURRENT 2003 BILL			$ 148.79		Adjusted 2004 BILL			$ 148.04	$ (0.75)	-0.5%

MONTHLY CONSUMPTION 5000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**

	MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79		MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79					
	DISTRIBUTION kWh	5000	0.0066	$	33.00		DISTRIBUTION kWh	5000	0.0062	$	31.12					
	OTHER CHARGES kWh	5000	0.0229	$	114.50		OTHER CHARGES kWh	5000	0.0229	$	114.50					
	COST OF POWER kWh	5000	0.0430	$	215.00		COST OF POWER kWh	5000	0.0430	$	215.00					
	CURRENT 2003 BILL			$	366.29		Adjusted 2004 BILL			$	364.41	$	(1.88)	-0.5%		

MONTHLY CONSUMPTION 10,000 kWh		kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79		MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79					
	DISTRIBUTION kWh	10000	0.0066	$	66.00		DISTRIBUTION kWh	10000	0.0062	$	62.23					
	OTHER CHARGES kWh	10000	0.0229	$	229.00		OTHER CHARGES kWh	10000	0.0229	$	229.00					
	COST OF POWER kWh	10000	0.0430	$	430.00		COST OF POWER kWh	10000	0.0430	$	430.00					
	CURRENT 2003 BILL			$	728.79		Adjusted 2004 BILL			$	725.02	$	(3.77)	-0.5%		

MONTHLY CONSUMPTION 15,000 KWh		kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79		MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79					
	DISTRIBUTION kWh	15000	0.0066	$	99.00		DISTRIBUTION kWh	15000	0.0062	$	93.35					
	OTHER CHARGES kWh	15000	0.0229	$	343.50		OTHER CHARGES kWh	15000	0.0229	$	343.50					
	COST OF POWER kWh	15000	0.0430	$	645.00		COST OF POWER kWh	15000	0.0430	$	645.00					
	CURRENT 2003 BILL			$	1,091.29		Adjusted 2004 BILL			$	1,085.64	$	(5.65)	-0.5%		

GENERAL SERVICE > 50 KW NON TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates t
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

		kW/kWh (enter)	RATE $kW/kWh	CHARGE $			kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a		$24.15		MONTHLY SERVICE CHARGE	n/a	n/a	$	24.15					
	DISTRIBUTION kW	60	1.9777	$	118.66		DISTRIBUTION kW	60	1.8218	$	109.31					
	OTHER CHARGES kW	60	3.9100	$	234.60		OTHER CHARGES kW	60	3.9100	$	234.60					
	OTHER CHARGES kWh	15,000	0.0132	$	198.00		OTHER CHARGES kWh	15,000	0.0132	$	198.00					
	COST OF POWER kWh	15,000	0.0550	$	825.00		COST OF POWER kWh	15,000	0.0550	$	825.00					
	CURRENT 2003 BILL			$	1,400.41		Adjusted 2004 BILL			$	1,391.06	$	(9.35)	-0.7%		

MONTHLY CONSUMPTION 100kW, 40,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $			kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	24.15		MONTHLY SERVICE CHARGE	n/a	n/a	$	24.15					
	DISTRIBUTION kW	100	1.9777	$	197.77		DISTRIBUTION kW	100	1.8218	$	182.18					
	OTHER CHARGES kW	100	3.9100	$	391.00		OTHER CHARGES kW	100	3.9100	$	391.00					
	OTHER CHARGES kWh	40,000	0.0132	$	528.00		OTHER CHARGES kWh	40,000	0.0132	$	528.00					
	COST OF POWER kWh	40,000	0.0550	$	2,200.00		COST OF POWER kWh	40,000	0.0550	$	2,200.00					
	CURRENT 2003 BILL			$	3,340.92		Adjusted 2004 BILL			$	3,325.33	$	(15.59)	-0.5%		

MONTHLY CONSUMPTION 500kW, 100,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $			kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %

	MONTHLY SERVICE CHARGE	n/a	n/a	$	24.15		MONTHLY SERVICE CHARGE	n/a	n/a	$	24.15				
	DISTRIBUTION kW	500	1.9777	$	988.85		DISTRIBUTION kW	500	1.8218	$	910.92				
	OTHER CHARGES kW	500	3.9100	$	1,955.00		OTHER CHARGES kW	500	3.9100	$	1,955.00				
	OTHER CHARGES kWh	100,000	0.0132	$	1,320.00		OTHER CHARGES kWh	100,000	0.0132	$	1,320.00				
	COST OF POWER kWh	100,000	0.0550	$	5,500.00		COST OF POWER kWh	100,000	0.0550	$	5,500.00				
	CURRENT 2003 BILL			$	9,788.00		Adjusted 2004 BILL			$	9,710.07	$	(77.93)	-0.8%	

MONTHLY CONSUMPTION 1000kW, 400,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 24.15		MONTHLY SERVICE CHARGE	n/a	n/a	$ 24.15		
	DISTRIBUTION kW	1000	1.9777	$ 1,977.70		DISTRIBUTION kW	1000	1.8218	$ 1,821.85		
	OTHER CHARGES kW	1000	3.9100	$ 3,910.00		OTHER CHARGES kW	1000	3.9100	$ 3,910.00		
	OTHER CHARGES kWh	400,000	0.0132	$ 5,280.00		OTHER CHARGES kWh	400,000	0.0132	$ 5,280.00		
	COST OF POWER kWh	400,000	0.0550	$ 22,000.00		COST OF POWER kWh	400,000	0.0550	$ 22,000.00		
	CURRENT 2003 BILL			$ 33,191.85		Adjusted 2004 BILL			$ 33,036.00	$ (155.85)	-0.5%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 24.15		MONTHLY SERVICE CHARGE	n/a	n/a	$ 24.15		
	DISTRIBUTION kW	3000	1.9777	$ 5,933.10		DISTRIBUTION kW	3000	1.8218	$ 5,465.55		
	OTHER CHARGES kW	3000	3.9100	$ 11,730.00		OTHER CHARGES kW	3000	3.9100	$ 11,730.00		
	OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00		OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00		
	COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00		COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00		
	CURRENT 2003 BILL			$ 85,887.25		Adjusted 2004 BILL			$ 85,419.70	$ (467.55)	-0.5%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 24.15		MONTHLY SERVICE CHARGE	n/a	n/a	$ 24.15		
	DISTRIBUTION kW	4000	1.9777	$ 7,910.80		DISTRIBUTION kW	4000	1.82185	$ 7,287.40		
	OTHER CHARGES kW	4000	3.9100	$ 15,640.00		OTHER CHARGES kW	4000	3.9100	$ 15,640.00		
	OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00		OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00		
	COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00		COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00		
	CURRENT 2003 BILL			$ 146,334.95		Adjusted 2004 BILL			$ 145,711.55	$ (623.40)	-0.4%

GENERAL SERVICE >50 KW TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates t
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

		kW/kWh (enter)	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$0.00		MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kW	60	0.0000	$ -		DISTRIBUTION kW	60	#DIV/0!	#DIV/0!		
	OTHER CHARGES kW	60	4.2138	$ 252.83		OTHER CHARGES kW	60	4.2138	$ 252.83		
	OTHER CHARGES kWh	15,000	0.0132	$ 198.00		OTHER CHARGES kWh	15,000	0.0132	$ 198.00		

COST OF POWER kWh	15,000	0.0550	$	825.00	COST OF POWER kWh	15,000	0.0550	$	825.00	
CURRENT 2003 BILL			$	1,275.83	Adjusted 2004 BILL				#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 100kW, 40,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	100	0.0000	$	-	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	100	4.2138	$	421.38	OTHER CHARGES kW	100	4.2138	$ 421.38		
OTHER CHARGES kWh	40,000	0.0132	$	528.00	OTHER CHARGES kWh	40,000	0.0132	$ 528.00		
COST OF POWER kWh	40,000	0.0550	$	2,200.00	COST OF POWER kWh	40,000	0.0550	$ 2,200.00		
CURRENT 2003 BILL			$	3,149.38	Adjusted 2004 BILL				#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 100,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	500	0.0000	$	-	DISTRIBUTION kW	500	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	500	4.2138	$	2,106.90	OTHER CHARGES kW	500	4.2138	$ 2,106.90		
OTHER CHARGES kWh	100,000	0.0132	$	1,320.00	OTHER CHARGES kWh	100,000	0.0132	$ 1,320.00		
COST OF POWER kWh	100,000	0.0550	$	5,500.00	COST OF POWER kWh	100,000	0.0550	$ 5,500.00		
CURRENT 2003 BILL			$	8,926.90	Adjusted 2004 BILL				#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 400,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	1000	0.0000	$	-	DISTRIBUTION kW	1000	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	1000	4.2138	$	4,213.80	OTHER CHARGES kW	1000	4.2138	$ 4,213.80		
OTHER CHARGES kWh	400,000	0.0132	$	5,280.00	OTHER CHARGES kWh	400,000	0.0132	$ 5,280.00		
COST OF POWER kWh	400,000	0.0550	$	22,000.00	COST OF POWER kWh	400,000	0.0550	$ 22,000.00		
CURRENT 2003 BILL			$	31,493.80	Adjusted 2004 BILL				#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	3000	0.0000	$	-	DISTRIBUTION kW	3000	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	3000	4.2138	$	12,641.40	OTHER CHARGES kW	3000	4.2138	$ 12,641.40		
OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00		
COST OF POWER kWh	1,000,000	0.0550	$	55,000.00	COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00		
CURRENT 2003 BILL			$	80,841.40	Adjusted 2004 BILL				#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	4000	0.0000	$	-	DISTRIBUTION kW	4000	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	4000	4.2138	$	16,855.20	OTHER CHARGES kW	4000	4.2138	$ 16,855.20		
OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00		
COST OF POWER kWh	1,800,000	0.0550	$	99,000.00	COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00		
CURRENT 2003 BILL			$	139,615.20	Adjusted 2004 BILL				#DIV/0!	#DIV/0!

Interval Metered

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates f
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a		$0.00	n/a	n/a	$ -		
DISTRIBUTION kW	60	0.0000	$	-	60	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	60	4.2138	$	252.83	60	4.2138	$ 252.83		
OTHER CHARGES kWh	15,000	0.0132	$	198.00	15,000	0.0132	$ 198.00		
COST OF POWER kWh	15,000	0.0550	$	825.00	15,000	0.0550	$ 825.00		
CURRENT 2003 BILL			$	1,275.83	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 100kW, 40,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kW	100	0.0000	$	-	100	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	100	4.2138	$	421.38	100	4.2138	$ 421.38		
OTHER CHARGES kWh	40,000	0.0132	$	528.00	40,000	0.0132	$ 528.00		
COST OF POWER kWh	40,000	0.0550	$	2,200.00	40,000	0.0550	$ 2,200.00		
CURRENT 2003 BILL			$	3,149.38	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 100,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kW	500	0.0000	$	-	500	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	500	4.2138	$	2,106.90	500	4.2138	$ 2,106.90		
OTHER CHARGES kWh	100,000	0.0132	$	1,320.00	100,000	0.0132	$ 1,320.00		
COST OF POWER kWh	100,000	0.0550	$	5,500.00	100,000	0.0550	$ 5,500.00		
CURRENT 2003 BILL			$	8,926.90	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 400,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kW	1000	0.0000	$	-	1000	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	1000	4.2138	$	4,213.80	1000	4.2138	$ 4,213.80		
OTHER CHARGES kWh	400,000	0.0132	$	5,280.00	400,000	0.0132	$ 5,280.00		
COST OF POWER kWh	400,000	0.0550	$	22,000.00	400,000	0.0550	$ 22,000.00		
CURRENT 2003 BILL			$	31,493.80	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kW	3000	0.0000	$	-	3000	#DIV/0!	#DIV/0!		

	OTHER CHARGES kW	3000	4.2138	$	12,641.40		OTHER CHARGES kW	3000	4.2138	$	12,641.40					
	OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00		OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00					
	COST OF POWER kWh	1,000,000	0.0550	$	55,000.00		COST OF POWER kWh	1,000,000	0.0550	$	55,000.00					
	CURRENT 2003 BILL			$	80,841.40		Adjusted 2004 BILL				#DIV/0!		#DIV/0!		#DIV/0!	
MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**				**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**		**IMPACT %**		
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	$	-					
	DISTRIBUTION kW	4000	0.0000	$	-		DISTRIBUTION kW	4000	#DIV/0!		#DIV/0!					
	OTHER CHARGES kW	4000	4.2138	$	16,855.20		OTHER CHARGES kW	4000	4.2138	$	16,855.20					
	OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00		OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00					
	COST OF POWER kWh	1,800,000	0.0550	$	99,000.00		COST OF POWER kWh	1,800,000	0.0550	$	99,000.00					
	CURRENT 2003 BILL			$	139,615.20		Adjusted 2004 BILL				#DIV/0!		#DIV/0!		#DIV/0!	

GENERAL SERVICE INTERMEDIATE CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates t
Consumption has not been adjusted for line losses.

	CURRENT 2003 BILL						**2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**								
ENTER DESIRED CONSUMPTION LEVEL															
MONTHLY CONSUMPTION		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**				**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**		**IMPACT %**	
3000kW, 800,000 kWh	MONTHLY SERVICE CHARGE	n/a	n/a		$43.52		MONTHLY SERVICE CHARGE	n/a	n/a	$	43.52				
	DISTRIBUTION kW	3000	0.4237	$	1,271.10		DISTRIBUTION kW	3000	0.2074	$	622.30				
	OTHER CHARGES kW	3000	4.2138	$	12,641.40		OTHER CHARGES kW	3000	4.2138	$	12,641.40				
	OTHER CHARGES kWh	800,000	0.0132	$	10,560.00		OTHER CHARGES kWh	800,000	0.0132	$	10,560.00				
	COST OF POWER kWh	800,000	0.0550	$	44,000.00		COST OF POWER kWh	800,000	0.0550	$	44,000.00				
	CURRENT 2003 BILL			$	68,516.02		Adjusted 2004 BILL			$	67,867.22	$	(648.80)		-0.9%
MONTHLY CONSUMPTION		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**				**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**		**IMPACT %**	
3000kW, 1,000,000kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	43.52		MONTHLY SERVICE CHARGE	n/a	n/a	$	43.52				
	DISTRIBUTION kW	3000	0.4237	$	1,271.10		DISTRIBUTION kW	3000	0.2074	$	622.30				
	OTHER CHARGES kW	3000	4.2138	$	12,641.40		OTHER CHARGES kW	3000	4.2138	$	12,641.40				
	OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00		OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00				
	COST OF POWER kWh	1,000,000	0.0550	$	55,000.00		COST OF POWER kWh	1,000,000	0.0550	$	55,000.00				
	CURRENT 2003 BILL			$	82,156.02		Adjusted 2004 BILL			$	81,507.22	$	(648.80)		-0.8%
MONTHLY CONSUMPTION		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**				**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**		**IMPACT %**	
4000kW, 1,200,000kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	43.52		MONTHLY SERVICE CHARGE	n/a	n/a	$	43.52				
	DISTRIBUTION kW	4000	0.4237	$	1,694.80		DISTRIBUTION kW	4000	0.2074	$	829.74				
	OTHER CHARGES kW	4000	4.2138	$	16,855.20		OTHER CHARGES kW	4000	4.2138	$	16,855.20				
	OTHER CHARGES kWh	1,200,000	0.0132	$	15,840.00		OTHER CHARGES kWh	1,200,000	0.0132	$	15,840.00				
	COST OF POWER kWh	1,200,000	0.0550	$	66,000.00		COST OF POWER kWh	1,200,000	0.0550	$	66,000.00				
	CURRENT 2003 BILL			$	100,433.52		Adjusted 2004 BILL			$	99,568.46	$	(865.06)		-0.9%

MONTHLY CONSUMPTION 4000kW, 1,800,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $			kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 43.52		MONTHLY SERVICE CHARGE	n/a	n/a	$ 43.52		
	DISTRIBUTION kW	4000	0.4237	$ 1,694.80		DISTRIBUTION kW	4000	0.2074	$ 829.74		
	OTHER CHARGES kW	4000	4.2138	$ 16,855.20		OTHER CHARGES kW	4000	4.2138	$ 16,855.20		
	OTHER CHARGES kWh	#######	0.0132	$ 23,760.00		OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00		
	COST OF POWER kWh	#######	0.0550	$ 99,000.00		COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00		
	CURRENT 2003 BILL			$ 141,353.52		Adjusted 2004 BILL			$ 140,488.46	$ (865.06)	-0.6%

LARGE USE CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.7369/kW, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION 6000kW, 2,800,000 kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $			kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$0.00		MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kW	6000	0.0000	$ -		DISTRIBUTION kW	6000	#DIV/0!	#DIV/0!		
	OTHER CHARGES kW	6000	4.7369	$ 28,421.40		OTHER CHARGES kW	6000	4.7369	$ 28,421.40		
	OTHER CHARGES kWh	2,800,000	0.0132	$ 36,960.00		OTHER CHARGES kWh	2,800,000	0.0132	$ 36,960.00		
	COST OF POWER kWh	2,800,000	0.0500	$ 140,000.00		COST OF POWER kWh	2,800,000	0.0500	$ 140,000.00		
	CURRENT 2003 BILL			$ 205,381.40		Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 15000kW, 10,000,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $			kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kW	15000	0.0000	$ -		DISTRIBUTION kW	15000	#DIV/0!	#DIV/0!		
	OTHER CHARGES kW	15000	4.7369	$ 71,053.50		OTHER CHARGES kW	15000	4.7369	$ 71,053.50		
	OTHER CHARGES kWh	########	0.0132	$ 132,000.00		OTHER CHARGES kWh	10,000,000	0.0132	$ 132,000.00		
	COST OF POWER kWh	########	0.0500	$ 500,000.00		COST OF POWER kWh	########	0.0500	$ 500,000.00		
	CURRENT 2003 BILL			$ 703,053.50		Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

Unmetered Scattered Loads

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL 100 kWh		kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
	DISTRIBUTION kWh	100	0.0066	$ 0.66		DISTRIBUTION kWh	100	0.0062	$ 0.62		
	OTHER CHARGES kWh	100	0.0239	$ 2.39		OTHER CHARGES kWh	100	0.0239	$ 2.39		
	COST OF POWER kWh	100	0.0430	$ 4.30		COST OF POWER kWh	100	0.0430	$ 4.30		
	CURRENT 2003 BILL			$ 11.14		Adjusted 2004 BILL			$ 11.10	$ (0.04)	-0.3%

MONTHLY CONSUMPTION OF 250 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	250	0.0066	$ 1.65	DISTRIBUTION kWh	250	0.0062	$ 1.56		
OTHER CHARGES kWh	250	0.0239	$ 5.98	OTHER CHARGES kWh	250	0.0239	$ 5.98		
COST OF POWER kWh	250	0.0430	$ 10.75	COST OF POWER kWh	250	0.0430	$ 10.75		
CURRENT 2003 BILL			$ 22.17	Adjusted 2004 BILL			$ 22.07	$ (0.09)	-0.4%

MONTHLY CONSUMPTION OF 500 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	500	0.0066	$ 3.30	DISTRIBUTION kWh	500	0.0062	$ 3.11		
OTHER CHARGES kWh	500	0.0239	$ 11.95	OTHER CHARGES kWh	500	0.0239	$ 11.95		
COST OF POWER kWh	500	0.0430	$ 21.50	COST OF POWER kWh	500	0.0430	$ 21.50		
CURRENT 2003 BILL			$ 40.54	Adjusted 2004 BILL			$ 40.35	$ (0.19)	-0.5%

MONTHLY CONSUMPTION OF 750 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	750	0.0066	$ 4.95	DISTRIBUTION kWh	750	0.0062	$ 4.67		
OTHER CHARGES kWh	750	0.0239	$ 17.93	OTHER CHARGES kWh	750	0.0239	$ 17.93		
COST OF POWER kWh	750	0.0430	$ 32.25	COST OF POWER kWh	750	0.0430	$ 32.25		
CURRENT 2003 BILL			$ 58.92	Adjusted 2004 BILL			$ 58.63	$ (0.28)	-0.5%

MONTHLY CONSUMPTION OF 1000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	1000	0.0066	$ 6.60	DISTRIBUTION kWh	1000	0.0062	$ 6.22		
OTHER CHARGES kWh	1000	0.0239	$ 23.90	OTHER CHARGES kWh	1000	0.02390	$ 23.90		
COST OF POWER kWh	1000	0.0430	$ 43.00	COST OF POWER kWh	1000	0.0430	$ 43.00		
CURRENT 2003 BILL			$ 77.29	Adjusted 2004 BILL			$ 76.91	$ (0.38)	-0.5%

MONTHLY CONSUMPTION OF 1500 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	1500	0.0066	$ 9.90	DISTRIBUTION kWh	1500	0.0062	$ 9.34		
OTHER CHARGES kWh	1500	0.0239	$ 35.85	OTHER CHARGES kWh	1500	0.0239	$ 35.85		
COST OF POWER kWh	1500	0.0430	$ 64.50	COST OF POWER kWh	1500	0.0430	$ 64.50		
CURRENT 2003 BILL			$ 114.04	Adjusted 2004 BILL			$ 113.48	$ (0.56)	-0.5%

MONTHLY CONSUMPTION OF 2000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	2000	0.0066	$ 13.20	DISTRIBUTION kWh	2000	0.0062	$ 12.45		
OTHER CHARGES kWh	2000	0.0239	$ 47.80	OTHER CHARGES kWh	2000	0.0239	$ 47.80		
COST OF POWER kWh	2000	0.0430	$ 86.00	COST OF POWER kWh	2000	0.0430	$ 86.00		
CURRENT 2003 BILL			$ 150.79	Adjusted 2004 BILL			$ 150.04	$ (0.75)	-0.5%

RESIDENTIAL - Suburban

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

ENTER DESIRED CONSUMPTION LEVEL
100 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)				
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kWh	100	0.0000	$	-	100	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	100	0.0239	$	2.39	100	0.0239	$ 2.39		
COST OF POWER kWh	100	0.0430	$	4.30	100	0.0430	$ 4.30		
CURRENT 2003 BILL			$	6.69	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
250 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)				
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kWh	250	0.0000	$	-	250	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	250	0.0239	$	5.98	250	0.0239	$ 5.98		
COST OF POWER kWh	250	0.0430	$	10.75	250	0.0430	$ 10.75		
CURRENT 2003 BILL			$	16.73	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
500 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)				
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kWh	500	0.0000	$	-	500	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	500	0.0239	$	11.95	500	0.0239	$ 11.95		
COST OF POWER kWh	500	0.0430	$	21.50	500	0.0430	$ 21.50		
CURRENT 2003 BILL			$	33.45	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
750 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)				
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kWh	750	0.0000	$	-	750	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	750	0.0239	$	17.93	750	0.0239	$ 17.93		
COST OF POWER kWh	750	0.0430	$	32.25	750	0.0430	$ 32.25		
CURRENT 2003 BILL			$	50.18	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
1000 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)				
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		
DISTRIBUTION kWh	1000	0.0000	$	-	1000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	1000	0.0239	$	23.90	1000	0.02390	$ 23.90		
COST OF POWER kWh	1000	0.0430	$	43.00	1000	0.0430	$ 43.00		
CURRENT 2003 BILL			$	66.90	Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
1500 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)				
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$ -		

	DISTRIBUTION kWh	1500	0.0000	$	-	DISTRIBUTION kWh	1500	#DIV/0!		#DIV/0!				
	OTHER CHARGES kWh	1500	0.0239	$	35.85	OTHER CHARGES kWh	1500	0.0239	$	35.85				
	COST OF POWER kWh	1500	0.0430	$	64.50	COST OF POWER kWh	1500	0.0430	$	64.50				
	CURRENT 2003 BILL			$	100.35	Adjusted 2004 BILL				#DIV/0!		#DIV/0!		#DIV/0!

MONTHLY CONSUMPTION OF 2000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	2000	0.0000	$	-	DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	2000	0.0239	$	47.80	OTHER CHARGES kWh	2000	0.0239	$ 47.80		
COST OF POWER kWh	2000	0.0430	$	86.00	COST OF POWER kWh	2000	0.0430	$ 86.00		
CURRENT 2003 BILL			$	133.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE < 50 KW - Suburban

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL
1000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a		$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	1000	0.0000	$	-	DISTRIBUTION kWh	1000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	1000	0.0229	$	22.90	OTHER CHARGES kWh	1000	0.0229	$ 22.90		
COST OF POWER kWh	1000	0.0430	$	43.00	COST OF POWER kWh	1000	0.0430	$ 43.00		
CURRENT 2003 BILL			$	65.90	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 2000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	2000	0.0000	$	-	DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	2000	0.0229	$	45.80	OTHER CHARGES kWh	2000	0.0229	$ 45.80		
COST OF POWER kWh	2000	0.0430	$	86.00	COST OF POWER kWh	2000	0.0430	$ 86.00		
CURRENT 2003 BILL			$	131.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 5000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	5000	0.0000	$	-	DISTRIBUTION kWh	5000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	5000	0.0229	$	114.50	OTHER CHARGES kWh	5000	0.0229	$ 114.50		
COST OF POWER kWh	5000	0.0430	$	215.00	COST OF POWER kWh	5000	0.0430	$ 215.00		
CURRENT 2003 BILL			$	329.50	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 10,000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	10000	0.0000	$	-	DISTRIBUTION kWh	10000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	10000	0.0229	$	229.00	OTHER CHARGES kWh	10000	0.0229	$ 229.00		
COST OF POWER kWh	10000	0.0430	$	430.00	COST OF POWER kWh	10000	0.0430	$ 430.00		

	CURRENT 2003 BILL			$ 659.00	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION 15,000 KWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kWh	15000	0.0000	$ -	DISTRIBUTION kWh	15000	#DIV/0!	#DIV/0!		
	OTHER CHARGES kWh	15000	0.0229	$ 343.50	OTHER CHARGES kWh	15000	0.0229	$ 343.50		
	COST OF POWER kWh	15000	0.0430	$ 645.00	COST OF POWER kWh	15000	0.0430	$ 645.00		
	CURRENT 2003 BILL			$ 988.50	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates t
Consumption has not been adjusted for line losses.

	CURRENT 2003 BILL				**2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**					
ENTER DESIRED CONSUMPTION LEVEL		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kW	60	0.0000	$ -	DISTRIBUTION kW	60	#DIV/0!	#DIV/0!		
	OTHER CHARGES kW	60	3.9100	$ 234.60	OTHER CHARGES kW	60	3.9100	$ 234.60		
	OTHER CHARGES kWh	15,000	0.0132	$ 198.00	OTHER CHARGES kWh	15,000	0.0132	$ 198.00		
	COST OF POWER kWh	15,000	0.0550	$ 825.00	COST OF POWER kWh	15,000	0.0550	$ 825.00		
	CURRENT 2003 BILL			$ 1,257.60	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION 100kW, 40,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
	OTHER CHARGES kW	100	3.9100	$ 391.00	OTHER CHARGES kW	100	3.9100	$ 391.00		
	OTHER CHARGES kWh	40,000	0.0132	$ 528.00	OTHER CHARGES kWh	40,000	0.0132	$ 528.00		
	COST OF POWER kWh	40,000	0.0550	$ 2,200.00	COST OF POWER kWh	40,000	0.0550	$ 2,200.00		
	CURRENT 2003 BILL			$ 3,119.00	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION 500kW, 100,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kW	500	0.0000	$ -	DISTRIBUTION kW	500	#DIV/0!	#DIV/0!		
	OTHER CHARGES kW	500	3.9100	$ 1,955.00	OTHER CHARGES kW	500	3.9100	$ 1,955.00		
	OTHER CHARGES kWh	100,000	0.0132	$ 1,320.00	OTHER CHARGES kWh	100,000	0.0132	$ 1,320.00		
	COST OF POWER kWh	100,000	0.0550	$ 5,500.00	COST OF POWER kWh	100,000	0.0550	$ 5,500.00		
	CURRENT 2003 BILL			$ 8,775.00	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION 1000kW, 400,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kW	1000	0.0000	$ -	DISTRIBUTION kW	1000	#DIV/0!	#DIV/0!		
	OTHER CHARGES kW	1000	3.9100	$ 3,910.00	OTHER CHARGES kW	1000	3.9100	$ 3,910.00		

	OTHER CHARGES kWh	400,000	0.0132	$	5,280.00	OTHER CHARGES kWh	400,000	0.0132	$	5,280.00			
	COST OF POWER kWh	400,000	0.0550	$	22,000.00	COST OF POWER kWh	400,000	0.0550	$	22,000.00			
	CURRENT 2003 BILL			$	31,190.00	Adjusted 2004 BILL				#DIV/0!		#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kW	3000	0.0000	$	-	DISTRIBUTION kW	3000	#DIV/0!		#DIV/0!			
	OTHER CHARGES kW	3000	3.9100	$	11,730.00	OTHER CHARGES kW	3000	3.9100	$	11,730.00			
	OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00			
	COST OF POWER kWh	1,000,000	0.0550	$	55,000.00	COST OF POWER kWh	1,000,000	0.0550	$	55,000.00			
	CURRENT 2003 BILL			$	79,930.00	Adjusted 2004 BILL				#DIV/0!		#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kW	4000	0.0000	$	-	DISTRIBUTION kW	4000	#DIV/0!		#DIV/0!			
	OTHER CHARGES kW	4000	3.9100	$	15,640.00	OTHER CHARGES kW	4000	3.9100	$	15,640.00			
	OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00			
	COST OF POWER kWh	1,800,000	0.0550	$	99,000.00	COST OF POWER kWh	1,800,000	0.0550	$	99,000.00			
	CURRENT 2003 BILL			$	138,400.00	Adjusted 2004 BILL				#DIV/0!		#DIV/0!	#DIV/0!

RESIDENTIAL - Suburban Seasonal

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL					**2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**							
ENTER DESIRED CONSUMPTION LEVEL 100 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kWh	100	0.0000	$	-	DISTRIBUTION kWh	100	#DIV/0!		#DIV/0!			
	OTHER CHARGES kWh	100	0.0239	$	2.39	OTHER CHARGES kWh	100	0.0239	$	2.39			
	COST OF POWER kWh	100	0.0430	$	4.30	COST OF POWER kWh	100	0.0430	$	4.30			
	CURRENT 2003 BILL			$	6.69	Adjusted 2004 BILL				#DIV/0!		#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF 250 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kWh	250	0.0000	$	-	DISTRIBUTION kWh	250	#DIV/0!		#DIV/0!			
	OTHER CHARGES kWh	250	0.0239	$	5.98	OTHER CHARGES kWh	250	0.0239	$	5.98			
	COST OF POWER kWh	250	0.0430	$	10.75	COST OF POWER kWh	250	0.0430	$	10.75			
	CURRENT 2003 BILL			$	16.73	Adjusted 2004 BILL				#DIV/0!		#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF 500 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kWh	500	0.0000	$	-	DISTRIBUTION kWh	500	#DIV/0!		#DIV/0!			
	OTHER CHARGES kWh	500	0.0239	$	11.95	OTHER CHARGES kWh	500	0.0239	$	11.95			

	COST OF POWER	kWh	500	0.0430	$	21.50	COST OF POWER	kWh	500	0.0430	$	21.50		
	CURRENT 2003 BILL				$	33.45	Adjusted 2004 BILL					#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF 750 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**				**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kWh	750	0.0000	$	-		DISTRIBUTION kWh	750	#DIV/0!		#DIV/0!			
	OTHER CHARGES kWh	750	0.0239	$	17.93		OTHER CHARGES kWh	750	0.0239	$	17.93			
	COST OF POWER kWh	750	0.0430	$	32.25		COST OF POWER kWh	750	0.0430	$	32.25			
	CURRENT 2003 BILL				$	50.18	Adjusted 2004 BILL					#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF 1000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**				**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kWh	1000	0.0000	$	-		DISTRIBUTION kWh	1000	#DIV/0!		#DIV/0!			
	OTHER CHARGES kWh	1000	0.0239	$	23.90		OTHER CHARGES kWh	1000	0.02390	$	23.90			
	COST OF POWER kWh	1000	0.0430	$	43.00		COST OF POWER kWh	1000	0.0430	$	43.00			
	CURRENT 2003 BILL				$	66.90	Adjusted 2004 BILL					#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF 1500 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**				**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kWh	1500	0.0000	$	-		DISTRIBUTION kWh	1500	#DIV/0!		#DIV/0!			
	OTHER CHARGES kWh	1500	0.0239	$	35.85		OTHER CHARGES kWh	1500	0.0239	$	35.85			
	COST OF POWER kWh	1500	0.0430	$	64.50		COST OF POWER kWh	1500	0.0430	$	64.50			
	CURRENT 2003 BILL				$	100.35	Adjusted 2004 BILL					#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**				**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	$	-			
	DISTRIBUTION kWh	2000	0.0000	$	-		DISTRIBUTION kWh	2000	#DIV/0!		#DIV/0!			
	OTHER CHARGES kWh	2000	0.0239	$	47.80		OTHER CHARGES kWh	2000	0.0239	$	47.80			
	COST OF POWER kWh	2000	0.0430	$	86.00		COST OF POWER kWh	2000	0.0430	$	86.00			
	CURRENT 2003 BILL				$	133.80	Adjusted 2004 BILL					#DIV/0!	#DIV/0!	#DIV/0!

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Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

(commodity price increase on April 1, 2004)

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPA	**LICENCE NUMBER**	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	**PHONE NUMBER**	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill also includes the new tiered commodity rate that will come into effect on April 1, 2004.

Note: All Rates are transferred from Sheets 10 and 11.

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

NON-TIME OF USE	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
ENTER DESIRED CONSUMPTION LEVEL	**kWh**	**RATE**	**CHARGE**		**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
100 kWh	**(enter)**	**$/kWh**	**$**			**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.75		
DISTRIBUTION kWh	100	0.0065	$	0.65	DISTRIBUTION kWh	100	0.0062	$ 0.62		
OTHER CHARGES kWh	100	0.0239	$	2.39	OTHER CHARGES kWh	100	0.0239	$ 2.39		
COST OF POWER kWh	100	0.0430	$	4.30	COST OF POWER kWh	100	0.0470	$ 4.70		
CURRENT 2003 BILL			$	13.09	Adjusted 2004 BILL			$ 13.46	$ 0.37	2.8%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**		**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
250 kWh	**(enter)**	**$/kWh**	**$**			**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.75		
DISTRIBUTION kWh	250	0.0065	$	1.63	DISTRIBUTION kWh	250	0.0062	$ 1.55		
OTHER CHARGES kWh	250	0.0239	$	5.98	OTHER CHARGES kWh	250	0.0239	$ 5.98		
COST OF POWER kWh	250	0.0430	$	10.75	COST OF POWER kWh	250	0.0470	$ 11.75		
CURRENT 2003 BILL			$	24.10	Adjusted 2004 BILL			$ 25.03	$ 0.93	3.9%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**		**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
500 kWh	**(enter)**	**$/kWh**	**$**			**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.75		
DISTRIBUTION kWh	500	0.0065	$	3.25	DISTRIBUTION kWh	500	0.0062	$ 3.11		
OTHER CHARGES kWh	500	0.0239	$	11.95	OTHER CHARGES kWh	500	0.0239	$ 11.95		
COST OF POWER kWh	500	0.0430	$	21.50	COST OF POWER kWh	500	0.0470	$ 23.50		
CURRENT 2003 BILL			$	42.45	Adjusted 2004 BILL			$ 44.31	$ 1.86	4.4%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**		**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
750 kWh	**(enter)**	**$/kWh**	**$**			**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.75		
DISTRIBUTION kWh	750	0.0065	$	4.88	DISTRIBUTION kWh	750	0.0062	$ 4.66		
OTHER CHARGES kWh	750	0.0239	$	17.93	OTHER CHARGES kWh	750	0.0239	$ 17.93		
COST OF POWER kWh	750	0.0430	$	32.25	COST OF POWER kWh	750	0.0470	$ 35.25		
CURRENT 2003 BILL			$	60.80	Adjusted 2004 BILL			$ 63.58	$ 2.78	4.6%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**		**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
1000 kWh	**(enter)**	**$/kWh**	**$**			**$/kWh**	**$**	**DOLLARS**	**%**	

	MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75					
	DISTRIBUTION kWh	1000	0.0065	$	6.50		DISTRIBUTION kWh	1000	0.0062	$	6.21					
	OTHER CHARGES kWh	1000	0.0239	$	23.90		OTHER CHARGES kWh	1000	0.02390	$	23.90					
	COST OF POWER kWh	1000	0.0430	$	43.00		COST OF POWER kWh	750	0.0470	$	35.25					
							COST OF POWER kWh	250	0.0550	$	13.75					
	CURRENT 2003 BILL			$	79.15		Adjusted 2004 BILL			$	84.86	$	5.71	7.2%		

MONTHLY CONSUMPTION OF 1500 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	
	DISTRIBUTION kWh	1500	0.0065	$	9.75	DISTRIBUTION kWh	1500	0.0062	$	9.32	
	OTHER CHARGES kWh	1500	0.0239	$	35.85	OTHER CHARGES kWh	1500	0.0239	$	35.85	
	COST OF POWER kWh	1500	0.0430	$	64.50	COST OF POWER kWh	750	0.0470	$	35.25	
						COST OF POWER kWh	750	0.0550	$	41.25	
	CURRENT 2003 BILL			$	115.85	Adjusted 2004 BILL			$	127.42	$ 11.57	10.0%

MONTHLY CONSUMPTION OF 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	$	5.75	
	DISTRIBUTION kWh	2000	0.0065	$	13.00	DISTRIBUTION kWh	2000	0.0062	$	12.42	
	OTHER CHARGES kWh	2000	0.0239	$	47.80	OTHER CHARGES kWh	2000	0.0239	$	47.80	
	COST OF POWER kWh	2000	0.0430	$	86.00	COST OF POWER kWh	750	0.0470	$	35.25	
						COST OF POWER kWh	1250	0.0550	$	68.75	
	CURRENT 2003 BILL			$	152.55	Adjusted 2004 BILL			$	169.97	$ 17.42	11.4%

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL					**2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)**					
MONTHLY CONSUMPTION OF 1000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79	
	DISTRIBUTION kWh	1000	0.0066	$	6.60	DISTRIBUTION kWh	1000	0.00622	$	6.22	
	OTHER CHARGES kWh	1000	0.0229	$	22.90	OTHER CHARGES kWh	1000	0.0229	$	22.90	
	COST OF POWER kWh	1000	0.0430	$	43.00	COST OF POWER kWh	750	0.0470	$	35.25	
						COST OF POWER kWh	250	0.0550	$	13.75	
	CURRENT 2003 BILL			$	76.29	Adjusted 2004 BILL			$	81.91	$ 5.62	7.4%

MONTHLY CONSUMPTION OF 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$	3.79	
	DISTRIBUTION kWh	2000	0.0066	$	13.20	DISTRIBUTION kWh	2000	0.0062	$	12.45	
	OTHER CHARGES kWh	2000	0.0229	$	45.80	OTHER CHARGES kWh	2000	0.0229	$	45.80	
	COST OF POWER kWh	2000	0.0430	$	86.00	COST OF POWER kWh	750	0.0470	$	35.25	
						COST OF POWER kWh	1250	0.0550	$	68.75	
	CURRENT 2003 BILL			$	148.79	Adjusted 2004 BILL			$	166.04	$ 17.25	11.6%

MONTHLY CONSUMPTION OF 5000 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
	DISTRIBUTION kWh	5000	0.0066	$ 33.00	DISTRIBUTION kWh	5000	0.0062	$ 31.12		
	OTHER CHARGES kWh	5000	0.0229	$ 114.50	OTHER CHARGES kWh	5000	0.0229	$ 114.50		
	COST OF POWER kWh	5000	0.0430	$ 215.00	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	4250	0.0550	$ 233.75		
	CURRENT 2003 BILL			$ 366.29	Adjusted 2004 BILL			$ 418.41	$ 52.12	14.2%

MONTHLY CONSUMPTION OF 10000 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
	DISTRIBUTION kWh	10000	0.0066	$ 66.00	DISTRIBUTION kWh	10000	0.0062	$ 62.23		
	OTHER CHARGES kWh	10000	0.0229	$ 229.00	OTHER CHARGES kWh	10000	0.0229	$ 229.00		
	COST OF POWER kWh	10000	0.0430	$ 430.00	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	9250	0.0550	$ 508.75		
	CURRENT 2003 BILL			$ 728.79	Adjusted 2004 BILL			$ 839.02	$ 110.23	15.1%

MONTHLY CONSUMPTION OF 15000 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
	DISTRIBUTION kWh	15000	0.0066	$ 99.00	DISTRIBUTION kWh	15000	0.0062	$ 93.35		
	OTHER CHARGES kWh	15000	0.0229	$ 343.50	OTHER CHARGES kWh	15000	0.0229	$ 343.50		
	COST OF POWER kWh	15000	0.0430	$ 645.00	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	14250	0.0550	$ 783.75		
	CURRENT 2003 BILL			$ 1,091.29	Adjusted 2004 BILL			$ 1,259.64	$ 168.35	15.4%

Unmetered Scattered Loads

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL				**2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)**					
MONTHLY CONSUMPTION OF 1000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
	DISTRIBUTION kWh	1000	0.0066	$ 6.60	DISTRIBUTION kWh	1000	0.00622	$ 6.22		
	OTHER CHARGES kWh	1000	0.0229	$ 22.90	OTHER CHARGES kWh	1000	0.0229	$ 22.90		
	COST OF POWER kWh	1000	0.0430	$ 43.00	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	250	0.0550	$ 13.75		
	CURRENT 2003 BILL			$ 76.29	Adjusted 2004 BILL			$ 81.91	$ 5.62	7.4%
MONTHLY CONSUMPTION OF 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
	DISTRIBUTION kWh	2000	0.0066	$ 13.20	DISTRIBUTION kWh	2000	0.0062	$ 12.45		
	OTHER CHARGES kWh	2000	0.0229	$ 45.80	OTHER CHARGES kWh	2000	0.0229	$ 45.80		
	COST OF POWER kWh	2000	0.0430	$ 86.00	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	1250	0.0550	$ 68.75		
	CURRENT 2003 BILL			$ 148.79	Adjusted 2004 BILL			$ 166.04	$ 17.25	11.6%

MONTHLY CONSUMPTION OF 5000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	5000	0.0066	$ 33.00	DISTRIBUTION kWh	5000	0.0062	$ 31.12		
OTHER CHARGES kWh	5000	0.0229	$ 114.50	OTHER CHARGES kWh	5000	0.0229	$ 114.50		
COST OF POWER kWh	5000	0.0430	$ 215.00	COST OF POWER kWh	750	0.0470	$ 35.25		
				COST OF POWER kWh	4250	0.0550	$ 233.75		
CURRENT 2003 BILL			$ 366.29	Adjusted 2004 BILL			$ 418.41	$ 52.12	14.2%

MONTHLY CONSUMPTION OF 10000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	10000	0.0066	$ 66.00	DISTRIBUTION kWh	10000	0.0062	$ 62.23		
OTHER CHARGES kWh	10000	0.0229	$ 229.00	OTHER CHARGES kWh	10000	0.0229	$ 229.00		
COST OF POWER kWh	10000	0.0430	$ 430.00	COST OF POWER kWh	750	0.0470	$ 35.25		
				COST OF POWER kWh	9250	0.0550	$ 508.75		
CURRENT 2003 BILL			$ 728.79	Adjusted 2004 BILL			$ 839.02	$ 110.23	15.1%

MONTHLY CONSUMPTION OF 15000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	$ 3.79		
DISTRIBUTION kWh	15000	0.0066	$ 99.00	DISTRIBUTION kWh	15000	0.0062	$ 93.35		
OTHER CHARGES kWh	15000	0.0229	$ 343.50	OTHER CHARGES kWh	15000	0.0229	$ 343.50		
COST OF POWER kWh	15000	0.0430	$ 645.00	COST OF POWER kWh	750	0.0470	$ 35.25		
				COST OF POWER kWh	14250	0.0550	$ 783.75		
CURRENT 2003 BILL			$ 1,091.29	Adjusted 2004 BILL			$ 1,259.64	$ 168.35	15.4%

RESIDENTIAL CLASS - Suburban

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

NON-TIME OF USE

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL 100 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	100	0.0000	$ -	DISTRIBUTION kWh	100	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	100	0.0239	$ 2.39	OTHER CHARGES kWh	100	0.0239	$ 2.39		
COST OF POWER kWh	100	0.0430	$ 4.30	COST OF POWER kWh	100	0.0470	$ 4.70		
CURRENT 2003 BILL			$ 6.69	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 250 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	250	0.0000	$ -	DISTRIBUTION kWh	250	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	250	0.0239	$ 5.98	OTHER CHARGES kWh	250	0.0239	$ 5.98		
COST OF POWER kWh	250	0.0430	$ 10.75	COST OF POWER kWh	250	0.0470	$ 11.75		
CURRENT 2003 BILL			$ 16.73	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 500 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	500	0.0000	$ -	DISTRIBUTION kWh	500	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	500	0.0239	$ 11.95	OTHER CHARGES kWh	500	0.0239	$ 11.95		
COST OF POWER kWh	500	0.0430	$ 21.50	COST OF POWER kWh	500	0.0470	$ 23.50		
CURRENT 2003 BILL			$ 33.45	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 750 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	750	0.0000	$ -	DISTRIBUTION kWh	750	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	750	0.0239	$ 17.93	OTHER CHARGES kWh	750	0.0239	$ 17.93		
COST OF POWER kWh	750	0.0430	$ 32.25	COST OF POWER kWh	750	0.0470	$ 35.25		
CURRENT 2003 BILL			$ 50.18	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 1000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	1000	0.0000	$ -	DISTRIBUTION kWh	1000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	1000	0.0239	$ 23.90	OTHER CHARGES kWh	1000	0.02390	$ 23.90		
COST OF POWER kWh	1000	0.0430	$ 43.00	COST OF POWER kWh	750	0.0470	$ 35.25		
				COST OF POWER kWh	250	0.0550	$ 13.75		
CURRENT 2003 BILL			$ 66.90	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 1500 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	1500	0.0000	$ -	DISTRIBUTION kWh	1500	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	1500	0.0239	$ 35.85	OTHER CHARGES kWh	1500	0.0239	$ 35.85		
COST OF POWER kWh	1500	0.0430	$ 64.50	COST OF POWER kWh	750	0.0470	$ 35.25		
				COST OF POWER kWh	750	0.0550	$ 41.25		
CURRENT 2003 BILL			$ 100.35	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 2000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh	2000	0.0000	$ -	DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	2000	0.0239	$ 47.80	OTHER CHARGES kWh	2000	0.0239	$ 47.80		
COST OF POWER kWh	2000	0.0430	$ 86.00	COST OF POWER kWh	750	0.0470	$ 35.25		
				COST OF POWER kWh	1250	0.0550	$ 68.75		
CURRENT 2003 BILL			$ 133.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE < 50 KW - Suburban

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

MONTHLY CONSUMPTION OF 1000 kWh

	CURRENT 2003 BILL kWh (enter)	RATE $/kWh	CHARGE $	2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price) kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %

	MONTHLY SERVICE CHARGE		n/a	n/a	$	-		MONTHLY SERVICE CHARGE		n/a	n/a	$	-			
	DISTRIBUTION kWh		1000	0.0000	$	-		DISTRIBUTION kWh		1000	#DIV/0!		#DIV/0!			
	OTHER CHARGES kWh		1000	0.0229	$	22.90		OTHER CHARGES kWh		1000	0.0229	$	22.90			
	COST OF POWER	kWh	1000	0.0430	$	43.00		COST OF POWER kWh		750	0.0470	$	35.25			
								COST OF POWER kWh		250	0.0550	$	13.75			
	CURRENT 2003 BILL				$	65.90		Adjusted 2004 BILL					#DIV/0!		#DIV/0!	#DIV/0!

		kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY CONSUMPTION OF 2000 kWh											
MONTHLY SERVICE CHARGE		n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh		2000	0.0000	$	-	DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh		2000	0.0229	$	45.80	OTHER CHARGES kWh	2000	0.0229	$ 45.80		
COST OF POWER	kWh	2000	0.0430	$	86.00	COST OF POWER kWh	750	0.0470	$ 35.25		
						COST OF POWER kWh	1250	0.0550	$ 68.75		
CURRENT 2003 BILL				$	131.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

		kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY CONSUMPTION OF 5000 kWh											
MONTHLY SERVICE CHARGE		n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh		5000	0.0000	$	-	DISTRIBUTION kWh	5000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh		5000	0.0229	$	114.50	OTHER CHARGES kWh	5000	0.0229	$ 114.50		
COST OF POWER	kWh	5000	0.0430	$	215.00	COST OF POWER kWh	750	0.0470	$ 35.25		
						COST OF POWER kWh	4250	0.0550	$ 233.75		
CURRENT 2003 BILL				$	329.50	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

		kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY CONSUMPTION OF 10000 kWh											
MONTHLY SERVICE CHARGE		n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh		10000	0.0000	$	-	DISTRIBUTION kWh	10000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh		10000	0.0229	$	229.00	OTHER CHARGES kWh	10000	0.0229	$ 229.00		
COST OF POWER	kWh	10000	0.0430	$	430.00	COST OF POWER kWh	750	0.0470	$ 35.25		
						COST OF POWER kWh	9250	0.0550	$ 508.75		
CURRENT 2003 BILL				$	659.00	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

		kWh (enter)	RATE $/kWh	CHARGE $			kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY CONSUMPTION OF 15000 kWh											
MONTHLY SERVICE CHARGE		n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kWh		15000	0.0000	$	-	DISTRIBUTION kWh	15000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh		15000	0.0229	$	343.50	OTHER CHARGES kWh	15000	0.0229	$ 343.50		
COST OF POWER	kWh	15000	0.0430	$	645.00	COST OF POWER kWh	750	0.0470	$ 35.25		
						COST OF POWER kWh	14250	0.0550	$ 783.75		
CURRENT 2003 BILL				$	988.50	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

RESIDENTIAL CLASS - Suburban Seasonal

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL
100 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$	-		
DISTRIBUTION kWh	100	0.0000	$	-	100	#DIV/0!		#DIV/0!		
OTHER CHARGES kWh	100	0.0239	$	2.39	100	0.0239	$	2.39		
COST OF POWER kWh	100	0.0430	$	4.30	100	0.0470	$	4.70		
CURRENT 2003 BILL			$	6.69	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
250 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$	-		
DISTRIBUTION kWh	250	0.0000	$	-	250	#DIV/0!		#DIV/0!		
OTHER CHARGES kWh	250	0.0239	$	5.98	250	0.0239	$	5.98		
COST OF POWER kWh	250	0.0430	$	10.75	250	0.0470	$	11.75		
CURRENT 2003 BILL			$	16.73	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
500 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$	-		
DISTRIBUTION kWh	500	0.0000	$	-	500	#DIV/0!		#DIV/0!		
OTHER CHARGES kWh	500	0.0239	$	11.95	500	0.0239	$	11.95		
COST OF POWER kWh	500	0.0430	$	21.50	500	0.0470	$	23.50		
CURRENT 2003 BILL			$	33.45	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
750 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$	-		
DISTRIBUTION kWh	750	0.0000	$	-	750	#DIV/0!		#DIV/0!		
OTHER CHARGES kWh	750	0.0239	$	17.93	750	0.0239	$	17.93		
COST OF POWER kWh	750	0.0430	$	32.25	750	0.0470	$	35.25		
CURRENT 2003 BILL			$	50.18	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
1000 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$	-		
DISTRIBUTION kWh	1000	0.0000	$	-	1000	#DIV/0!		#DIV/0!		
OTHER CHARGES kWh	1000	0.0239	$	23.90	1000	0.02390	$	23.90		
COST OF POWER kWh	1000	0.0430	$	43.00	750	0.0470	$	35.25		
					250	0.0550	$	13.75		
CURRENT 2003 BILL			$	66.90	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF
1500 kWh

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	$	-		
DISTRIBUTION kWh	1500	0.0000	$	-	1500	#DIV/0!		#DIV/0!		
OTHER CHARGES kWh	1500	0.0239	$	35.85	1500	0.0239	$	35.85		
COST OF POWER kWh	1500	0.0430	$	64.50	750	0.0470	$	35.25		
					750	0.0550	$	41.25		

MONTHLY CONSUMPTION OF 2000 kWh												
	CURRENT 2003 BILL			$ 100.35	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!		
		kWh (enter)	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		MONTHLY SERVICE CHARGE	n/a	n/a	$ -			
	DISTRIBUTION kWh	2000	0.0000	$ -		DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!			
	OTHER CHARGES kWh	2000	0.0239	$ 47.80		OTHER CHARGES kWh	2000	0.0239	$ 47.80			
	COST OF POWER kWh	2000	0.0430	$ 86.00		COST OF POWER kWh	750	0.0470	$ 35.25			
						COST OF POWER kWh	1250	0.0550	$ 68.75			
	CURRENT 2003 BILL			$ 133.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!		

HEARST POWER DISTRIBUTION COMPANY LIMITED RP-2004-0056
Schedule of Distribution Rates and Charges EB-2004-0042
Effective April 1, 2004 until February 28, 2005

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL

Monthly Service Charge	(per month)	$5.75
Distribution Volumetric Rate	(per kWh)	$0.0062

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$3.79
Distribution Volumetric Rate	(per kWh)	$0.0062

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$24.15
Distribution Volumetric Rate	(per kW)	$1.8218

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	$43.52
Distribution Volumetric Rate	(per kW)	$0.2074

HEARST POWER DISTRIBUTION COMPANY LIMITED RP-2004-0056
Schedule of Distribution Rates and Charges EB-2004-0042
Effective April 1, 2004 until February 28, 2005
(continued)

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$3.12
Distribution Volumetric Rate	(per kW)	$0.8196

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.76
Distribution Volumetric Rate	(per kW)	$0.6642

Unmetered Scattered Loads

Billed at General Service <50 kW rates

Monthly Service Charge	(per month)	$3.79
Distribution Volumetric Rate	(per kWh)	$0.0062

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

Late Payment	(per month)		1.50%
	(per annum)		19.56%
Returned cheque charge (actual bank charges p		$	8.00
Collection of account charge		$	8.25
Reconnection - during regular working hours		$	16.00
Account set up charge		$	8.25
Arrear's certificate charge		$	10.00
Dispute involvment charge		$	5.00

Credits

Allowance (per kW) for customer owned transformers, service at less than 115 kv .	$0.60

Appendix 4 of 5

Tax Returns

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

CORPORATION NOTICE OF REASSESSMENT

Shawinigan-Sud QC G9N 7S6

0003616

Date of mailing	June 19, 2003
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2001

HEARST POWER DISTRIBUTION
COMPANY LIMITED/CORPORATION DE
925 ALEXANDRA STREET
P O BAG 5000
HEARST ON P0L 1N0

RESULTS

This notice explains the results of our reassessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Reassessment :	$	9,248.45 Cr
Prior balance:	$	9,248.45
Total balance:	$	0.00

Please refer to the Summary and Explanation for additional information.

CORPORATION NOTICE OF REASSESSMENT

HEARST POWER DISTRIBUTION COMPANY
LIMITED/CORPORATION DE DIS

Date of mailing	June 19, 2003
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2001

SUMMARY OF REASSESSMENT

	$ Previous	$ Reassessed	$ Adjustment
Federal Tax:			
Part I	7,775.00	0.00	7,775.00 Cr
Part I.3	0.00	0.00	0.00
Part II	0.00	0.00	0.00
Part IV	0.00	0.00	0.00
Part IV.1	0.00	0.00	0.00
Part VI	0.00	0.00	0.00
Part VI.1	0.00	0.00	0.00
Part XIV	0.00	0.00	0.00
Total Federal Tax Adjustment:			$ 7,775.00 Cr
		Net balance:	$ 7,775.00 Cr
Penalties:			
Subsection 162(1) late-filing penalty	777.50	0.00	777.50 Cr
Interest:			
Arrears interest			695.95 Cr
		Result of this reassessment:	$ 9,248.45 Cr
		Prior balance:	$ 9,248.45
		Total balance:	$ 0.00

Alan Nymark
Commissioner of Customs and Revenue

EXPLANATION

We have revised the Part I tax to NIL, because the corporation is exempt from Part I tax.

We have cancelled the late-filing penalty previously assessed under subsection 162(1) of the "Income Tax Act."

We have set the balance due date at the end of the second month following the end of the taxation year, since our records indicate the corporation does not qualify for the one-month balance due date extension.

If necessary, we have adjusted subsequent taxation years for carry-forward balances, interest, and balance due date.

Please visit our Web site at www.ccra-adrc.gc.ca.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN (1998 and later taxation years)

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide.*

You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) 001 89053 4811 RC 0001

Corporation's name (item 12)

002 HEARST POWER DISTRIBUTION COMPANY LIMITED

Has the corporation changed its name since the last time we were notified? 003 ☐ Yes ☒ No

If *yes*, do you have a copy of the articles of amendment? 004 ☐ Yes ☒ No

Address of head office (item 13)

Has the address changed since the last time we were notified? 010 ☐ Yes ☒ No

011

012

City | Province

015 | 016

Country (other than Canada) | Postal code

017 | 018

Mailing address (if different from head office address) (item 14)

Has the address changed since the last time we were notified?

020 ☐ Yes ☒ No

021 C/o

022

023

City | Province

025 | 026

Country (other than Canada) | Postal code

027 | 028

Location of books and records (item 15)

031 P.O. BAG 5000

032

City | Province

035 HEARST | 036 ON

Country (other than Canada) | Postal code

037 | 038 P0L 1N0

040 **Type of corporation at end of taxation year** (item 16)

1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043

To which taxation year does this return apply? (item 17)

From 060 2001/10/01 to 061 2001/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 ☐ Yes ☒ No

If *yes,* provide date control was acquired 065

Is the corporation a professional corporation that is a member of a partnership? (item 18) 067 ☐ Yes ☒ No

Is this the first year of filing after:

Incorporation? (item 19) 070 ☐ Yes ☒ No

Amalgamation? (item 20) 071 ☐ Yes ☒ No

If *yes*, please provide Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)

If *yes*, please provide Schedule 24 072 ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22) 076 ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) 078 ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) 080 ☒ Yes ☐ No

If *no*, give the country of residence. 081

Is the non-resident corporation claiming an exemption under an Income Tax treaty? (item 24)

If *yes*, please provide Schedule 91 082 ☐ Yes ☒ No

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)

085
1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☒ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150		9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172		-----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
102	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210	X	10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing?	217		17
149	is the corporation an investment corporation or a mutual fund corporation?	218		18
130	Is the corporation carrying on business in Canada while not a Canadian corporation?	220		20 *
117	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221		21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227		27
120	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661/T665
123	Is the corporation subject to Part 1.3 tax?	233		33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236		36
123	Is the corporation claiming a surtax credit?	237		37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
127	Is the corporation claiming a Part I tax credit?	242		42
128	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
127	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
127	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
127	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Attachments - Continued from page 2

Guide item	Yes	Schedule
129 Is the corporation subject to Part XIII.1 tax?	☐	92 *
152 Is the corporation claiming a film or video production services tax credit refund?	☐	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	☐	T1134-A
44 Did the corporation have any controlled foreign affiliates?	☐	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over $100,000	☐	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
- Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174

Additional information

Is the corporation inactive? (item 48) **280** 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49) **281** 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? (item 50) **282**

(Only complete if *yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) **283** 1 Wholesale ☐ 2 Retail ☒

Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

284	ELECTRICAL UTILITY	**285**	100.000 %
286		**287**	%
288		**289**	%

Did the corporation immigrate to Canada during the taxation year? (item 53) **291** 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? (item 54) **292** 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)		**300**	55,660	A
Deduct: Charitable donations from Schedule 2 (item 78)	**311**			
Gifts to Canada or a province from Schedule 2 (item 79)	**312**			
Cultural gifts from Schedule 2 (item 80)	**313**			
Ecological gifts from Schedule 2 (item 81)	**314**			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	**320**			
Part VI.1 tax deduction from Schedule 43 (item 83)	**325**			
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	**331**			
Net capital losses of preceding taxation years from Schedule 4 (item 85)	**332**			
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	**333**			
Farm losses of prior taxation years from Schedule 4 (item 87)	**334**			
Limited partnership losses of prior years from Schedule 4 (item 88)	**335**			
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	**340**			
Prospector's and grubstaker's shares (item 90)	**350**			
Subtotal				B
Subtotal			55,660	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)		**355**		D
Taxable income (amount C plus amount D) (item 92)		**360**	55,660	
Income exempt under paragraph 149(1)(t) (item 93)		**370**		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)				Z

Small business deduction

Canadian-controlled private corporations throughout the taxation year

Income from active business carried on in Canada from Schedule 7 (item 95)	400	55,660	A
Taxable income from line 360 or amount Z, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96)	405	55,660	B
Business limit (for associated corporations, enter business limit from Schedule 23) (item 97)	410	50,411	C

Reduction to business limit: (item 98)

Amount C 50,411 X 415 *** _____ D / 11,250 = _____ E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	50,411	F
Small business deduction - 16% of the least of amounts A, B, C, and F	430	8,066	G

(enter amount G of line 9 on page 7)

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction (item 99)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	50,411 x 3/2 =		75,616	A
Net active business income (amount from line 400)*			55,660	B
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636** on page 7 and minus any amount that, because of federal law is exempt from Part I tax	55,660	C		
Deduct:				
Aggregate investment income (amount from line 440)		D		
Amount C minus amount D (if negative, enter "0")	55,660 ▶		55,660	E
The least of amounts A, B, or E above			55,660	F
Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 =		G		
Amount QQ from Part 13 of Schedule 27		H		
Resource allowance (amount from line 346 of Schedule 1) _____ x 3 =		I		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		J		
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction	50,411	K		
Total of amounts G, H, I, J, and K	50,411 ▶		50,411	L
Amount F minus amount L (if negative, enter "0")			5,249	M

Amount M 5,249 x (Days in the taxation year after December 31, 2000 / Days in the taxation year) 92/92 = 5,249 N

Accelerated tax reduction - 7% of amount N	367	O

(Enter amount O on line 637 of page 7)

* If the amount at line 450 of Schedule 7 is positive, specified partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

General tax reduction for Canadian-controlled private corporations (item 100)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 or amount Z of page 3				55,660 A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	B	
Amount QQ from Part 13 of Schedule 27			C	
Resource allowance (amount from line 346 of Schedule 1)		x 3 =	D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction		50,411	F	
Aggregate investment income from line 440 of page 6			G	
Amount used to calculate the accelerated tax reduction (amount M on page 4)		5,249	H	
Total of amounts B, C, D, E, F, G, and H		55,660	▶	55,660 I
Amount A minus amount I (if negative, enter "0")				J

Amount J _____ x Number of days in the taxation year in 2001 / Number of days in the taxation year = 92 / 92 x 1% = _____ K

Amount J _____ x Number of days in the taxation year in 2002 / Number of days in the taxation year = _____ / 92 x 3% = _____ L

General tax reduction for Canadian-controlled private corporations - amount K plus amount L _____ M

(enter amount M on line 638 of page 7)

General tax reduction (item 101)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 or amount Z of page 3				A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	B	
Amount QQ from Part 13 of Schedule 27			C	
Resource allowance (amount from line 346 of Schedule 1)		x 3 =	D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction			E1	
Total of amounts B, C, D, E and E1			▶	F
Amount A minus amount F (if negative, enter "0")				G

Amount G _____ x Number of days in the taxation year in 2001 / Number of days in the taxation year = _____ x 1% = _____ H

Amount G _____ x Number of days in the taxation year in 2002 / Number of days in the taxation year = _____ x 3% = _____ I

General tax reduction - amount H plus amount I _____ J

(enter amount J on line 639 of page 7)

Refundable portion of Part I tax (item 102)

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (Amount P from Part 1 of Schedule 7)	440		X 26 2/3 % =		A
Foreign non-business income tax credit from line 632 on page 7					
Deduct:					
Foreign investment income (Amount O from Part 1 of Schedule 7)	445		X 9 1/3 % = (if negative, enter "0")		B
Amount A **minus** amount B (if negative, enter "0")					C
Taxable income from line 360 on page 3			55,660		
Deduct:					
Least of amounts on lines 400, 405, 410, and 425 on page 4		50,411			
Foreign non-business income tax credit from line 632 on page 7	x 25/9 =				
Foreign business income tax credit from line 636 on page 7	x 10/4 =				
		50,411	50,411		
			5,249	X 26 2/3% =	1,400 D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)			7,775		
Deduct corporate surtax from line 600 on page 7			623		
Net amount			7,152		7,152 E
Refundable portion of Part I tax - the least of amounts C, D, and E				450	0 F

Refundable dividend tax on hand (item 103)

Refundable dividend tax on hand at the end of the preceding tax year	460			
Deduct dividend refund for the previous taxation year	465			
				A
Add the total of:				
Refundable portion of Part I tax from line 450 above				
Total Part IV tax payable from line 360 on page 2 of Schedule 3				
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480			
				B
Refundable dividend tax on hand at the end of the taxation year - Amount A plus Amount B			485	0

Dividend refund (item 104)

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3		X 1/3	A
Refundable dividend tax on hand at the end of the taxation year from line 485 above			B
Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8)			0

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 105) — 550 — 21,151 — A

Corporate surtax calculation (item 106)

Base amount from line A above		21,151	1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		5,566	2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environment trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b and c below on line 6:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)	7,152 c		
Total of lines 2 to 6		5,566	7
Net amount (line 1 minus line 7)		15,585	8

Corporate surtax - 4% of the amount on line 8 — 600 — 623 — B

Recapture of investment tax credit from line XX in Part 16 on page 8 of Schedule 31 (item 107) — 602 — C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 108)

Aggregate investment income from line 440 on page 6			i
Taxable income from line 360 on page 4	55,660		
Deduct: The least of amounts on lines 400, 405, 410, and 425 on page 4	50,411		
Net amount	5,249	5,249	ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii — 604 — D

Subtotal (add lines A, B, C, and D) — 21,774 — E

Deduct:

Small business deduction from line 430 on page 4		8,066	9
Federal tax abatement (item 109)	608	5,566	
Manufacturing and processing profits deduction from amount BB or VV of Schedule 27 (item 110)	616		
Investment corporation deduction (item 111)	620		
(Taxed capital gains 624)			
Additional deduction - credit unions from Schedule 17 (item 112)	628		
Federal foreign non-business income tax credit from Schedule 21 (item 113)	632		
Federal foreign business income tax credit from Schedule 21 (item 114)	636		
Accelerated tax reduction from amount O of page 4 (item 115)	637	367	
General tax reduction for CCPC's from amount L of page 5 (item 116)	638		
General tax reduction from amount I of page 5 (item 116)	639		
Federal logging tax credit from Schedule 21 (item 117)	640		
Federal political contribution tax credit (item 118)	644		
Federal political contributions 646			
Federal qualifying environmental trust tax credit (item 119)	648		
Investment tax credit from Schedule 31 (item 120)	652		
Subtotal		13,999	

13,999 — F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 121) — 7,775 — G

Summary of tax and credits

Federal tax

Part I tax payable from page 5 (item 122)	700	7,775
Part I.3 tax payable from Schedule 33, 34, or 35 (item 123)	704	
Part II tax payable from Schedule 46 (item 124)	708	
Part IV tax payable from Schedule 3 (item 125)	712	
Part IV.1 tax payable from Schedule 43 (item 126)	716	
Part VI tax payable from Schedule 38 (item 127)	720	
Part VI.1 tax payable from Schedule 43 (item 128)	724	
Part XIII.1 tax payable from Schedule 92 (item 129)	727	
Part XIV tax payable from Schedule 20 (item 130)	728	
Total federal tax		7,775

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 131) 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 132)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 146)	765	
Total tax payable	770	7,775 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 147)	780	
Dividend refund from Page 4 (items 148)	784	
Federal capital gains refund from Schedule 18 (item 149)	788	
Federal qualifying environmental trust tax credit refund (item 150)	792	
Canadian film or video production tax credit refund from Form T1131 (item 151)	796	
Film or video production services tax credit refund from Form T1177 (item 152)	797	
Tax withheld at source (item 153)	800	
Total payments on which tax has been withheld (item 153) 801		
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 154)	804	
Provincial and territorial capital gains refund from Schedule 18 (item 155)	808	
Provincial and territorial refundable tax credits from Schedule 5 (item 156)	812	
Royalties deductible under Syncrude Remission Order 815		
Tax remitted under Syncrude Remission Order (item 157)	816	
Tax instalments paid (item 158)	840	
Total credits	890	B

Refund Code (item 159) 894 ☐ Overpayment (item 162) ____ Balance (line A minus line B) 7,775 I

Direct Deposit Request (item 163)

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid (item 162) 7,775
Enclosed payment (item 161) 898 6,767

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 160) 896 1 Yes ☒ 2 No ☐ NA ☐

Certification (item 164)

950 LEDUC Surname | 951 NICOLE First name | 954 Manager Position, office or rank

955 2011/09/14 Date | 956 (705) 372-2815 Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name | 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance (item 165)

990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES — Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements			A	233,730
Add:				
Provision for income taxes - current	101	11,115		
Amortization of tangible assets	104	151,229		
Total of fields 201 to 294	199	23		
Total of fields 101 to 199	500	162,367		162,367
Deduct:				
Capital cost allowance - Schedule 8	403	41,742		
Cumulative eligible capital deduction - Schedule 10	405	367		
Total of fields 300 to 394	499	298,328		
Total of fields 401 to 499	510	340,437		340,437
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)				55,660

Add:		
Accounts receivable and prepaid for cash basis - opening	202	23
Total of fields 201 to 294 (Enter this amount at line 199)		23
Deduct:		
Other deductions:		
700 Statement of partnership income T5013 - box 18 net loss	390	1,272
701 Income for the first nine months of the year	391	183,634
702 Depreciation for the first nine months of the year	392	113,422
Total of fields 300 to 394 (Enter this amount at line 499)		298,328

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NON-CAPITAL LOSS CONTINUITY AND CARRY BACK — Schedule 4

Part 1 - Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2001/09/30	35,355						35,355
2001/12/31							
Totals	35,355						35,355

Current year non-capital loss

Net income (loss) for income tax purposes		55,660
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
Subtotal - if positive, enter "0"		
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year		35,355		
Losses expired after 7 years	100	-		
Non-capital losses - beginning balance	102	= 35,355		35,355
Transfers from wind-up of wholly-owned subsidiary and amalgamation			105 +	
Current year non-capital loss from above	110			
Deduct - Non-capital loss carry back to:				
1st preceding taxation year against taxable income	901			
2nd preceding taxation year against taxable income	902			
3rd preceding taxation year against taxable income	903			
1st preceding taxation year against taxable dividends subject to Part IV tax	911			
2nd preceding taxation year against taxable dividends subject to Part IV tax	912			
3rd preceding taxation year against taxable dividends subject to Part IV tax	913			
Current year non-capital loss net of carryback			+	
		Subtotal	=	35,355
Deduct:				
Amount applied against taxable income (enter on line 331 of T2 return)	130			
Amount applied against dividends subject to Part IV tax	135			
Section 80 adjustments	140			
Other adjustments	150			
			-	
Non-capital losses - ending balance			180 =	35,355

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator **190** ☐ Yes

Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2001/09/30							
2001/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year

Losses expired after 10 years **300** -

Farm losses - beginning balance **302** =

Transfers from wind-up of wholly-owned subsidiary and amalgamation **305** +

Current year farm loss **310**

Deduct - Farm loss carry back to:

1st preceding taxation year against taxable income **921**

2nd preceding taxation year against taxable income **922**

3rd preceding taxation year against taxable income **923**

1st preceding taxation year against taxable dividends subject to Part IV tax **931**

2nd preceding taxation year against taxable dividends subject to Part IV tax **932**

3rd preceding taxation year against taxable dividends subject to Part IV tax **933**

Subtotal

Current year farm loss net of carry-back +

Subtotal =

Deduct:

Amount applied against taxable income (enter on line 334 of T2 return) **330**

Amount applied against dividends subject to Part IV tax **335**

Section 80 adjustments **340**

Other adjustments **350**

-

Farm losses - ending balance **380** =

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2001/09/30							
2001/12/31							
Totals							

Current year restricted farm loss

Net loss from farming business		485	
Deductible farm loss:			
Net loss from above	A		
$2,500 plus 1/2 (A - $2,500)	B	2,500	
Maximum deduction	C	8,750	
Deductible farm loss (lesser of A, B, and C)			-
Current year restricted farm loss			

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year				
Losses expired after 10 years	400	-		
Restricted farm losses - beginning balance	402	=		
Transfers from wind-up of wholly-owned subsidiary and amalgamation			405	+
Current year restricted farm loss (enter on line 233 of Schedule 1)	410			
Deduct - Restricted farm loss carry back to:				
1st preceding taxation year against farming income	941			
2nd preceding taxation year against farming income	942			
3rd preceding taxation year against farming income	943			
Current year restricted farm loss net of carry-back				+
Deduct:				
Amount applied against taxable income (enter on line 333 of T2 return)	430			
Section 80 adjustments	440			
Other adjustments	450			
				-
Restricted farm losses - ending balance			480	=

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CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☐

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	139,463					139,463	4	1,406			138,057
2	1,082,605	16,018			8,009	1,090,614	6	16,494			1,082,129
8	288					288	20	15			273
10	17,014	11,600			5,800	22,814	30	1,725			26,889
8	31,414	3,902			1,951	33,365	20	1,682			33,634
10	167,494					167,494	30	12,665			154,829
36	7,600					7,600					7,600
12		61,533			30,767	30,766	100	7,755			53,778
Totals	1,445,878	93,053			46,527	1,492,404		41,742			1,497,189

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION — Schedule 10

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)				200 1,696	A
Add:					
Cost of eligible capital property acquired during the taxation year	222 25,471	B			
Transfer from predecessor or subsidiary corporation	224	C			
Other adjustments	226	D			
(add amounts B, C, and D)	25,471	x 3/4 =		19,103	E
		Subtotal (amount A **plus** amount E)	230	20,799	F
Deduct:					
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242	G			
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244	H			
Other adjustments	246	I			
(add amounts G, H, and I)		x 3/4 =	248		J
Cumulative eligible capital balance (amount F **minus** amount J)				20,799	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)					
Current year deduction amount K	20,799	x 7% =	250	367	L
(Deduct amount L on line 405 of Schedule 1)					
Cumulative eligible capital balance at the end of the taxation year			300	20,432	M

Note: The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if line K is negative)

Amount from line K above (show as a positive amount)					N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	400	1			
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	401	2			
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	402	3			
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	408	4			
Line 3 **minus** line 4	409		5		
Total of lines 1, 2, and 5			6		
Line T from schedule 10 of previous taxation years ending after February 27, 2000			7		
Line 6 **minus** line 7					O
Line N **minus** line O (cannot be negative)					P
Amount on line 5 X 1/2					Q
Line P **minus** line Q					R
Amount on line R X 66.6667 *					S
Lessor of line N or line O					T
Amount to be included in income on line 108 of schedule 1, line S **plus** line T			410		

* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

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AGREEMENT AMONG ASSOCIATED CCPCs TO ALLOCATE THE BUSINESS LIMIT

Schedule 23

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.
Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").
Column 3: Enter the code that applies to each corporation:
1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction.
3 - non-CCPC that is "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"
Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 cannot exceed $200,000.
Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Allocation of the business limit

Date filed (for departmental use only) **025**

Enter the calendar year to which the agreement applies **050** 2001

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** ☐ 1 Yes ☒ 2 No

1 Names of associated corporations **100**	2 Business Number **200**	3 Association code **300**	4 Allocation of business limit * **400**	5 Year end to which this agreement applies **500**
HEARST POWER DISTRIBUTION COMPANY LIMITED	89053 4811 RC 0001	1	200,000	
HEARST POWER SALES AND SERVICES COMPANY L	86368 9998 RC 0001	1		
	RC	0		
		TOTALS	$ 200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 50,411

	Last taxation year ending in the preceding calendar year				Current year
Names of all the corporations in the group	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part I.3 tax for business limit reduction	Grossed-up reduced business limit
HEARST POWER DISTRIBUTION COMPA			33,425		200,000
HEARST POWER SALES AND SERVICES					
TOTALS	$	$	$ 33,425	$	$ 200,000

* Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 364.

Reduction to the business limit under subsection 125(5.1)

The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before deduction of the surtax credits) for its last taxation year ending in the preceding calendar year. The amount to be entered at line 415 of the T2 return includes the gross Part I.3 tax payable for each corporation that has an "associated code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note: If the taxation year of any of the associated corporations was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder 100	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
The Corporation of the Town of Hearst	10812 7051 RC 0001		100.000	
	RC			

* If the shareholder is a trust, fields 200 and 300 will be blank.

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BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Amount
Cash and deposits	**1000**	2,344,705
Accounts Receivable	1060	976,277
Inventories	1120	124,441
Prepaid expenses	1484	11,630
Land	1600	7,600
Buildings	1680	136,366
Machinery, equipment, furniture and fixtures	1740	1,054,612
Motor vehicles	1742	122,150
Computer equipment / software	1774	17,534
Goodwill	2012	1,946
Incorporation costs	2018	72,413
Long term investments	2300	194,820
Total assets	**2599**	5,064,494

Liabilities	Code	Amount
Bank overdraft	**2600**	
Amounts payable and accrued liabilities	2620	702,943
Taxes payable	2680	615
Long term debt	3140	1,700,000
Total liabilities	**3499**	2,403,558

Equity	Code	Amount
Common shares	**3500**	10,000
Contributed and other surplus	3540	553,783
Retained earnings / deficit	**3600**	2,097,153
Total equity	**3620**	2,660,936
Total liabilities and equity	**3640**	5,064,494

Retained earnings	Code	Amount
Retained earnings/deficit-start	**3660**	1,863,423
Net income / loss	**3680**	233,730
Total retained earnings	**3849**	2,097,153

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INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Amount
Trade sales of goods and services	**8000**	7,984,018
Total sales of goods and services	**8089**	7,984,018
Investment revenue	8090	140,148
Other revenue	8230	125,560
Total revenue	**8299**	8,249,726

Cost of sales	Code	Amount
Opening inventory	**8300**	
Purchases / cost of materials	8320	7,185,266
Cost of sales	**8518**	7,185,266
Gross profit / loss (item 8089 - item 8518)	**8519**	798,752

Operating expenses	Code	Amount
Amortization of tangible assets	8670	151,229
Interest and bank charges	8710	233,648
Office expenses	8810	37,065
Professional fees	8860	
Rental	8910	3,761
Repairs and maintenance	8960	134,296
Salaries and wages	9060	148,426
Sub-contracts	9110	24,289
Supplies	9130	86,901
Other expenses	9270	
Total operating expenses	**9367**	819,615
Total expenses	**9368**	8,004,881
Net non-farming income	**9369**	244,845

Farming revenue	Code	Amount
Grains and oilseeds	**9370**	
Total farm revenue	**9659**	

Farming expenses	Code	Amount
Crop expenses	**9660**	
Total farm expenses	**9898**	
Net farm income	**9899**	
Net income / loss before taxes and extraordinary items	**9970**	244,845

Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	**9975**	-	
Legal settlements	**9976**	-	
Unrealized gains / losses	**9980**	+	
Unusual items	**9985**	-	
Current income taxes	**9990**	-	11,115
Deferred income tax provision	**9995**	-	
Net income / loss after taxes and extraordinary items	**9999**	=	233,730

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

NOTES CHECKLIST

Schedule 141

Involvement of accountant

0100 Who reported on/prepared the corporation's financial statements?

1	an independent auditor with a report that expressed no reservation	☐
2	an independent auditor with a report that expressed a reservation	☐
3	an independent accountant with a review engagement report that expressed no reservation	☒
4	an independent accountant with a review engagement report that expressed a reservation	☐
5	an independent accountant who conducted a compilation engagement with no review	☐
6	an independant accountant with a compilation engagement and review engagement resulting in no reservation	☐
7	an independant accountant with a compilation engagement and review engagement resulting in a reservation	☐
8	prepared by an employee/associate/management of the company, or a person on behalf of the company, without the involvement of an independent accountant	☐

Other information

Were any notes to the financial statements prepared?	**101**	☒ Yes	☐ No	
If *yes*, complete the following:				
Are any values presented at other than cost?	**102**	☐ Yes	☒ No	☐ NA
Has there been a change in accounting policies since the last return?	**103**	☐ Yes	☒ No	☐ NA
Are subsequent events mentioned in the notes?	**104**	☐ Yes	☒ No	☐ NA
Is re-evaluation of asset information mentioned in the notes?	**105**	☐ Yes	☒ No	☐ NA
Is contingent liability mentioned in the notes?	**106**	☐ Yes	☒ No	☐ NA
Is information regarding commitments mentioned in the notes?	**107**	☒ Yes	☐ No	☐ NA
Does the corporation have investments in joint venture(s) or partnerships?	**108**	☐ Yes	☒ No	☐ NA
If *yes*, are you filing financial statements of the joint venture(s) or partnership(s)?	**109**	☐ Yes	☐ No	☒ NA

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 – Consent to release of information to a representative

Client's name: HEARST POWER DISTRIBUTION COMPANY LIMITED Business Number: 890534811

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Collins Barrow

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

COLLINS BARROW

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

(705) 362-4261 — Representative's telephone number

(705) 362-4641 — Representative's fax number

Part 2 – Details of consent

A. Which accounts?

I request that this consent apply to all accounts. [X] OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 [ ]	RC	RC
GST/HST	RT0001 [ ]	RT	RT
Payroll deductions	RP0001 [ ]	RP	RP
Import/Export	RM0001 [ ]	RM	RM

B. Which years?

I request that this consent apply to all years. [X] OR

I request that this consent apply only to the following years:

1. All year-ends up to: [ ]
2. All year-ends beginning in: [ ] and all years after that.
3. The following year-ends only: [ ] [ ]
   [ ] [ ]

BUSINESS CONSENT FORM

Part 3 – Cancellation of consent to release of information to a representative

Client's name: HEARST POWER DISTRIBUTION COMPANY LIMITED Business Number: 890534811

I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

( ) - Representative's telephone number

( ) - Representative's fax number

Part 4 – Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 ☐	RC	RC
GST/HST	RT0001 ☐	RT	RT
Payroll deductions	RP0001 ☐	RP	RP
Import/Export	RM0001 ☐	RM	RM

B. Which years?

I request that this consent apply to all years. ☐ OR

I request that this consent apply only to the following years:

1. All year-ends up to:
2. All year-ends beginning in: and all years after that.
3. The following year-ends only:

Part 5 – Signature

Print your name NICOLE LEDUC Title Manager

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here ▶ Date 2011/09/14

TaxPaid

Tax instalments paid

Jurisdiction	Description	Date	Amount
Ontario	Instalment	2001/12/31	10,500
Federal			
		Total	10,500

* Enter Québec instalments paid on form CO-1027.VE

Summary by jurisdiction

Federal		Manitoba	
British Columbia		Ontario	10,500
Alberta			
Saskatchewan			

CDA

Capital dividend account continuity

Summary

			Prior years	Current year	Total
	Non-taxable (non-deductible) portion of capital gain (loss)				
	Non-taxable portion of allowable business investment (loss)	+			
A.	Net non-taxable gain eligible for CDA (0 if negative)	=			
B.	Capital dividends received				
	1/4 of net proceeds from the sale of eligible capital property				
	ECP proceeds not included in income (year-ends after 2000/02/27)	+			
	1/4 of eligible capital expenditures	-		6,368	6,368
	Other ECP adjustments	±			
C.	Net non-taxable ECP gain eligible for CDA (0 if negative)	=			
D.	Net proceeds (in excess of adjusted cost base) of life insurance policy where corporation is beneficiary				
E.	**Subtotal** (A to D)				
F.	Capital dividends paid	-			
G.	**Capital dividend account at end of the year** (E - F) (0 if negative)	=			

Adjustments

Adjusted CDA balance

Instalments

Federal tax instalments

Instalment base

Year-end	Estimate for current year 2002/12/31	First instalment base 2001/12/31	Second instalment base 2001/09/30
Taxable income		55,660	
Base amount of Part I tax		21,151	
Corporate surtax		623	
Refundable tax on CCPC's investment income			
Small business deduction		8,066	
Federal tax abatement		5,566	
Manufacturing and processing profits deduction			
Foreign tax credits			
Tax reductions		367	
Political contribution tax credit			
Investment tax credit			
Other credits			
Part I tax payable		7,775	
Part I.3 tax payable			
Part VI tax payable			
Part VI.1 tax payable			
Net provincial or territorial tax payable			
Total tax payable		7,775	
Days in taxation year	365	92	61
Tax payable adjusted for short taxation years		30,846	
Estimated credits for the current year:			
Investment tax credit refund			
Dividend refund			
Other			
Total estimated credits			
Instalment base		30,846	
Monthly payment		2,571	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
- ☐ 2. based on the first instalment base
- ☒ 3. based on the first and second instalment base
- ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2002/01/31			
2002/02/28			
2002/03/31	3,085		
2002/04/30	3,085		
2002/05/31	3,085		
2002/06/30	3,085		
2002/07/31	3,085		
2002/08/31	3,085		
2002/09/30	3,085		
2002/10/31	3,085		
2002/11/30	3,085		
2002/12/31	3,085		
Total	30,850		

Summary

Tax Summary

Tax year ending 2001/12/31

Taxable income

Net income for tax purposes		55,660
Charitable donations and gifts	-	
Taxable dividends	-	
Losses of prior years	-	
Other adjustments	±	
Taxable income	=	55,660

Part I tax

38% of taxable income			21,151
Surtax		+	623
Refundable tax on CCPC investment income		+	
Active business income	55,660		
Small business deduction		-	8,066
Federal tax abatement		-	5,566
Manufacturing and processing deduction		-	
Foreign tax credits		-	
Political contribution tax credit		-	
Investment tax credit		-	
Other deductions and credits		-	367
Part I tax		=	7,775

Tax payable

Part I tax		7,775
Part I.3 tax (large corporations tax)	+	
Taxable dividends received		
Part IV tax	+	
Other federal tax payable	+	
Subtotal	=	7,775
Provincial and territorial tax (except QC,ON,AB)	+	
Provincial tax on large corporations (NB,NS)	+	
Tax payable	+	7,775
Tax instalments paid	-	
Investment tax credit refund	-	
Taxable dividends paid		
Dividend refund	-	
Other refundable credits	-	
Balance owing (refund) on federal return	=	7,775
Provincial income tax (ON,AB,QC)		3,340
Capital and other provincial taxes	+	
Tax instalments and credits	-	10,500
Other provincial taxes	=	(7,160)
Total balance owing (refund)		615

Provincial tax

	Taxable income	Income tax	Capital and other provincial taxes	Tax instalments and credits	Net provincial tax
Newfoundland					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Schedule 5 provincial tax payable					
Ontario	55,660	3,340		10,500	(7,160)
Alberta					
Québec					
Totals		3,340		10,500	(7,160)

Loss carryforwards

Capital	
Non-capital	35,355
Farm	
Restricted farm	
Limited partnership	
Listed personal property	

Other carryforwards

Capital dividend account	
Refundable dividend tax on hand (net of dividend refund)	
Unused Part 1.3 tax credit	
Unused surtax credits	623
Foreign business tax credits	
Donations and gifts	
Investment tax credits	

5Year

5 Year Tax Summary

Years Ending:		2001/12/31	2001/09/30			
Taxable income						
Net Income for tax purposes		55,660	(35,355)			
Charitable donations and gifts	-		-	-	-	-
Taxable dividends	-		-	-	-	-
Losses of other years	-		-	-	-	-
Other adjustments	±		±	±	±	±
Taxable income	=	55,660	=	=	=	=
Active business income		55,660				
Part I tax						
38% of taxable income		21,151				
Surtax	+	623	+	+	+	+
Refundable tax on CCPC investment income	+		+	+	+	+
Small business deduction	-	8,066	-	-	-	-
Federal tax abatement	-	5,566	-	-	-	-
Manufacturing and processing deduction	-		-	-	-	-
Foreign tax credits	-		-	-	-	-
Political contribution tax credit	-		-	-	-	-
Investment tax credit	-		-	-	-	-
Other deductions and credits	-	367	-	-	-	-
Part I tax	=	7,775	=	=	=	=
Tax payable						
Part I tax		7,775				
Part I.3 tax	+		+	+	+	+
Part IV tax	+		+	+	+	+
Other federal tax payable	+		+	+	+	+
Subtotal	=	7,775	=	=	=	=
Provincial and territorial tax (except QC,ON,AB)	+		+	+	+	+
Provincial tax on large corporations (NB,NS)	+		+	+	+	+
Tax payable	=	7,775	=	=	=	=
Tax instalments made	-		-	-	-	-
Investment tax credit refund	-		-	-	-	-
Dividend refund	-		-	-	-	-
Other refundable credits	-		-	-	-	-
Balance owing (refund)	=	7,775	=	=	=	=
Provincial income tax (ON,AB,QC)		3,340				
Capital and other provincial taxes	+		+	+	+	+
Tax instalments and credits	-	10,500	-	-	-	-
Other provincial taxes	=	(7,160)	=	=	=	=
Total taxes owing (refund)		615				

Notice	T2	The information below will not transfer to the T2 jacket unless the head office address has changed, per CCRA request.
Notice	T2	The information below will not transfer to the T2 jacket unless the mailing address has changed, per CCRA request.
Notice	Info	The preparer information on this return does not match the information in Options|Environment. To update the preparer information on this return, open the Info form, right click, and select "Update preparer information".
Notice	S141	Please include a paper copy of the financial statements notes with the T2RSI submission.
Notice	OEfile	This return must be filed on disk as corporation is subject to CMT.
Override	T2	Line 85: Exemption from tax under section 149 (ProFile:)
Override	T2	Line 331: Non-capital losses of prior years (No difference)
Override	Info	End of taxation year (ProFile: September 30, 2002)
Override	S4N	Line 130: Losses applied against taxable income (No difference)
Override	OS4N	OS4N[137] (No difference)
Override	CT23	Ontario Special Status (ProFile: 0)
Override	CT23	Line 704: Non-capital losses (No difference)
Override	CT23	Line 241: Total Revenue (ProFile: 32,729,891)
Override	CT23	Line 704: Non-Capital Losses-Utilized (No difference)

September 14, 2011

CBMN FINANCIAL SERVICES INC
COLLINS BARROW
1021 George street
Hearst, Ontario
P0L 1N0

MS. LEDUC
HEARST POWER DISTRIBUTION COMPANY LIMITED

Dear MS. LEDUC:

We enclose two copies of the corporations tax return, including accompanying schedules and financial statements. We have prepared this return based on the information you provided to us. Please mail one copy of the return to Revenue Canada on or before June 30, 2002. The second copy is for your records.

The T2 return shows a balance owing of $7,775.

Please sign the following forms on the Revenue Canada copy:
Page 8 of the T2 return
RC59: Consent Form
T2013: Agreement among Associated Corporations

File a signed copy of the Ontario CT23 Tax Return, including accompanying schedules and financial statements, with the Ontario Ministry of Finance. The CT23 return shows a refund of $7,160.

If you have any questions about your return(s), please contact me at 705-362-4261.

Sincerely yours,

COLLINS BARROW

CBMN FINANCIAL SERVICES INC

Enclosure

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2001 (Revised) CT23 Corporations Tax and Annual Return

For taxation years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the MCBS Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-18, together with the applicable schedules on pages 19-22. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedules A or K on pages 23 and 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Refer to Guide)* Yes ☐ No ☒

Corporation's legal name and mailing address
HEARST POWER DISTRIBUTION COMPANY LIMITED

P.O. BAG 5000

City: HEARST | Province: ON | Country: CA | Postal code: P0L 1N0

Ontario Corporations Tax Account No. (MOF): 7334207

This CT23 Return covers the Taxation Year
Start: 2001/10/01
End: 2001/12/31

Has address changed since last filed return? Yes ☐ Date of change:

Date of Incorporation or Amalgamation: 2000/11/02

Registered/Head Office Address
P.O. BAG 5000

City: HEARST | Province: ON | Country: CA | Postal code: P0L 1N0

Ontario Corporation No. (MCBS): 7334207

Location of books and records
P.O. BAG 5000

City: HEARST | Province: ON | Country: CA | Postal code: P0L 1N0

Canada Customs and Revenue Agency Business No.: 890534811RC0001

Name of person to contact regarding this Return: NICOLE LEDUC
Telephone no.: (705) 372-2815
Fax no.: ( ) -

Jurisdiction Incorporated: ONTARIO

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)

City | Province | Country | Postal code

If not incorporated in Ontario, indicate date Ontario business activity commenced and ceased:
Commenced
Ceased
(Not Applicable) ▶ ☒

Former Corporation Name (*Extra-Provincial Corporations only*) ***Not applicable*** ☐ (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s)

Preferred Language / *Langue de préférence*
English anglais ☒ French français ☐

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check 1 this box. Schedule(s) A and K are not required (MCBS). ▶ ☐ **No Change**

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person
NICOLE LEDUC

Title: D ☐ Director O ☐ Officer P ☒ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);
c) had no Ontario Corporations Tax payable for the taxation year;
d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act*(Canada));
e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed $5 million or whose total revenues exceed $10 million for the taxation year).

NOTE 1: Filing of this declaration and the Annual Return does NOT constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

Signature	Title/Relationship to Corporation	Telephone number	Date
		( ) -	

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

NOTE 2: EFF corporations filing losses to be carried back and applied to prior years or applied to future years, *must file a tax return* completed with all the related schedules for the taxation year of the loss and for the taxation year to which the loss is being applied.

The following 3 items MUST be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is **also** being filed, completion of these fields is NOT necessary

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation No. (MCBS)

3.Canada Customs and Revenue Agency Business No.
RC

A corporation **must file** an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, within 6 months after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria you are eligible to file the CT23 Short-Form Corporations Tax Return. To obtain a copy contact the Revenue Operations and Client Services Branch. *(Refer to Guide)*

Yes	No	
X		(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents 100 % (nearest whole percent)
	X	(b) The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (*Refer to guide)*
	X	(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
	X	(d) The corporation's taxation year ends on or after January 1, 2000 and its gross revenue and total assets are each $1,000,000 or less and the corporation is not a financial institution; **OR** The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution.
X		(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
X		(f) The corporation's Ontario allocation factor is 100%.

NOTE: Family Farm or Fishing corporations that have a year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a),(b),(c), (e) and (f) above.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation - Please check (1) box(es) if applicable in sections 1 & 2

1
- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.)(fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

2
- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp s.47
- 4 [ ] Credit Union s.51
- 5 [ ] Bank Mortgage Subsidiary s.61(4)
- 6 [ ] Bank s.1(2)
- 7 [ ] Loan and Trust Corporation s.61(4)
- 8 [ ] Non-resident Corp s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corp s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-resident s.63(1)
- 16 [ ] Financial institutions prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity
ELECTRICAL UTILITY

Please check (1) box(es) if applicable:

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- [ ] Final Taxation Year up to Dissolution (wind-up)
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s.249(4)

Date control was acquired: _____

Was the corporation inactive throughout the taxation year?		Yes [ ]	No [X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?		Yes [X]	No [ ]
Are you requesting a refund due to:	the Carry-back of a Loss?	Yes [ ]	No [X]
	an Overpayment?	Yes [X]	No [ ]
	a Specified Refundable Tax Credit?	Yes [ ]	No [X]
Are you a Member of a Partnership or a Joint Venture?		Yes [ ]	No [X]

Income Tax

Allocation - If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter.Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net income (loss) for Ontario purposes (per reconciliation schedule, page 16)	From **690**	±	55,660
Subtract: Charitable donations	**1**	-	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)*	**2**	-	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	**3**	-	
Subtract: Ontario political contributions *(Attach schedule)*	**4**	-	
Subtract: Federal Part VI.1 tax ____ X 9/4	**5**	-	
Subtract: Prior years' losses applied - Non-capital losses	From **704**	-	
From **715** inclusion			
Net capital losses (page 17) ____ X rate 50.000000 %	**714**	-	
Farm losses	From **724**	-	
Restricted farm losses	From **734**	-	
Limited partnership losses	From **754**	-	
Taxable income (Non-capital loss)	**10**	=	55,660
Addition to taxable income for unused foreign tax deduction for federal purposes	**11**	+	
Adjusted taxable income 10 + **11** (if **10** is negative, enter **11**)	**20**	=	55,660

Taxable Income			**Number of days in Taxation Year**				
			Days after May 1, 2000 and before Jan 1, 2001	Total days			
From **10** (or **20**) 55,660	X **30** 100.0000 % Ontario Allocation	X 14.5 % X	**24**	÷ **73** 92	=	**25** +	
			Days after Dec 31, 2000 and before Oct 1, 2001	Total days			
From **10** (or **20**) 55,660	X **30** 100.0000 % Ontario Allocation	X 14.0 % X	**26**	÷ **73** 92	=	**27** +	
			Days after Sept 30, 2001 and before Jan 1, 2003	Total days			
From **10** (or **20**) 55,660	X **30** 100.0000 % Ontario Allocation	X 12.5 % X	**28** 92	÷ **73** 92	=	**29** +	6,958
			Days after Dec 31, 2002 and before Jan 1, 2004	Total days			
From **10** (or **20**) 55,660	X **30** 100.0000 % Ontario Allocation	X 11.0 % X	**31**	÷ **73** 92	=	**32** +	
Taxable Income Payable (before deduction of tax credits) **25** + **27** + **29** + **32**						**40** =	6,958

Incentive Deduction for Small Business Corporations (IDSBC)(s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (1) ☒ Yes ☐ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))				**50**	55,660
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	**51**	+	55,660		
Add: Losses of other years deducted for federal purposes (fed.s.111)	**52**	+			
Subtract: Losses of other years deducted for Ontario purposes (s.34)	**53**	-			
		=	55,660 ▶	**54**	55,660
Federal Business limit for the year before application of fed.s.125(5.1) (not exceeding $200,000) *(Attach T2 SCH 23 if associated)*	**55**	+	50,411		
Income eligible for the IDSBC From **30** 100.0000 % *Ontario Allocation X	**56** Least of **50**, **54** or **45**		55,660	**60** =	55,660

****Note***: *Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

Add: Ontario enhancement of federal business limit

Number of days in Taxation Year

	Days from **26** above		Total Days		From			
40,000 X		÷ **73**	92	X **55**	50,411	÷200,000 **42**	+	
	Days from **28** above		Total Days		From			
80,000 X	92	÷ **73**	92	X **55**	50,411	÷200,000 **43**	+	20,164
	Days from **31** above		Total Days		From			
120,000 X		÷ **73**	92	X **55**	50,411	÷200,000 **46**	+	

Ontario enhancement of federal business limit **42** + **43** + **46** = 20,164

44 + 20,164

Business Limit for Ontario purposes 55 + 44 = 70,575 ▶ **45** 70,575

Calculation of IDSBC Rate

				Number of Days in Taxation Year					
				Days after Dec 31, 1999 and before Oct 1, 2001		Total Days			
7.5% X	**76**		÷	**73**	92	**77**	+		
				Days after Sept 30, 2001 and before Jan 1, 2003		Total Days			
6.5 % X	**28**	92	÷	**73**	92	**79**	+	6.5000	
				Days after Dec 31, 2002 and before Jan 1, 2004		Total Days			
5.5 % X	**31**		÷	**73**	92	**89**	+		
IDSBC Rate for Taxation Year 77 + 79 + 89						**78**	=	6.5000	
Claim	From **60**	55,660	X From **78**	6.5000	%	**70**	=	3,618	

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.
***** Short Taxation Years -*** Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

**** Taxable income of the corporation**	From **10** (or **20** if applicable)	**80**	+	220,825
If you are a member of an associated group (1) **81** X (Yes)				
Taxable income of associated corporations *(Attach schedule)*		**82**	+	
Aggregate Taxable Income		**85**	=	220,825

		Number of days in Taxation Year								
		Days before Jan 1, 2001		Total Days						
Subtract: 200,000 X	**558**		÷	**73** 92	=	**111**	+			
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days						
240,000 X	**26**		÷	**73** 92	=	**112**	+			
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days						
280,000 X	**28**	92	÷	**73** 92	=	**113**	+	280,000		
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days						
320,000 X	**31**		÷	**73** 92	=	**115**	+			
		111 + **112** + **113** + **115**			=	280,000	▶		**114**	- 280,000
(If negative, enter nil)									**86**	=

				Number of Days in Taxation Year						
				Days after Dec 31, 1999 and before Oct 1, 2001		Total Days				
Calculation of Specified Rate for Surtax	5.0% X	**76**		÷	**73**	92	**93**	+		
				Days after Sept 30, 2001 and before Jan 1, 2003		Total Days				
	4.333% X	**28**	92	÷	**73**	92	**95**	+	4.3330	
				Days after Dec 31, 2002 and before Jan 1, 2004		Total Days				
	3.667% X	**31**		÷	**73**	92	**96**	+		
Specified rate of surtax for Taxation Year **93** + **95** + **96**							**94**	=	4.3330	
From **86**		X From **94**	4.3330	% =			**87**	=		
From **87**		X From **60**	55,660	÷ From **114**	280,000		**88**	=		

Surtax: Lesser of **70** or **88**	**100**	=	

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule)* 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits		**120**	+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56**		- 55,660

Add: Adjustment for Surtax on Canadian-controlled private corporations

From **100** ÷ From **30** 100.0000 % ÷ From **78** 6.5000 % = **121**

*Ontario Allocation

Lesser of **56** or **121**		**122**	+
120 - **56** + **122**		**130**	=

Taxable income	From **10**	+	55,660
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56**	-	55,660
Add: Adjustments for Surtax on Canadian-controlled private corporations	From **122**	+	
Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada	**140**	-	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	**141**	-	
10 - **56** + **122** - **140** - **141**	**142**	=	

Number of Days in Taxation Year

Claim 143 X From **30** 100.0000 % 2.0% X **152** (Days before Oct 1, 2001) ÷ **73** 92 (Total Days) = **153** +

*Ontario Allocation

Claim 143 X From **30** 100.0000 % 1.5% X **28** 92 (Days after Sept 30, 2001 and before Jan 1, 2003) ÷ **73** 92 (Total Days) = **154** +

*Ontario Allocation

Claim 143 X From **30** 100.0000 % 1.0% X **31** (Days after Dec 31, 2002 and before Jan 1, 2004) ÷ **73** 92 (Total Days) = **155** +

*Ontario Allocation

M&P claim for taxation year **153** + **154** + **155** **160** =

****Note****: Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity 162

Note: The M&P for corporations that generate electrical energy for sale, or produce steam for use in the generation of electrical energy for sale, or produce steam for uses other than the generation of electrity, has not yet received legislative authority at the time of printing. (Refer to Guide.)

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) *(Attach schedule).* 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible credit **175** Credit claimed **180**

Subtotal of Income Tax **40 - 70 + 100 - 110 - 160 - 161 - 162 -170 - 180** **190** = 3,340

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible credit from **5620** OITC claim form *(Attach original Claim Form)* **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible credit from **5798** Summary Schedule F **192** +

Ontario Film and Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** Claim Form Certified by Ontario Film Development Corp.
(*Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed graduate students. No. of Graduates from **6596**
Eligible Credit from **6598** Summary Schedule G **194** **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form certified by Ontario Film Development Corp.
(*Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.
Eligible Credit from **7300** Claim Form certified by Ontario Film Development Corporation
(*Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** Claim Form certified by Ontario Film Development Corporation
(*Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect to eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* **201** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 **220** =

Specified Tax Credits ***Applied to reduce Income Tax*** **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** **230** = 3,340

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on ***page 18***.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B on ***Page 8***.

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.
* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	**240**	+	5,064,494		
*** Total Revenue of the corporation**				**241** +	8,249,726
If you are a member of an associated group (1) **242** [X] (Yes)					
Total Assets of associated corporations *(Attach schedule)*	**243**	+	101,876		
Total Revenue of associated corporations *(Attach schedule)*				**244** +	3,378
Aggregate Total Assets	**249**	=	5,166,370		
Aggregate Total Revenue				**250** =	8,253,104

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on pages 19, 20 and 21 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on page 19.)*

Gross CMT Payable		CMT Base From					
	2135 22,999 X	From **30** 100.0000 % X 4%		**276** =	920
	If negative, enter zero	Ontario Allocation			
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*				**277** -	
Subtract: Income Tax			From **190** -	3,340
Net CMT Payable (if negative, enter Nil on page 18.)				**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from ***Page 7*** *to* ***Income Tax Summary, on Page 18***.

If **280** is less than zero and you have a CMT credit carryover, complete A & B below.

If **280** is greater than or equal to zero, transfer **230** to ***Page 18*** and transfer **280** to ***Page 18, and*** *to* ***Schedule D: Continuity of CMT Credit Carryovers****, on* ***Page 21.***

CMT Credit Carryover available			From **2307**	

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)				From **190** +	3,340
	Gross CMT payable	From **276** +	920			
	Subtract: Foreign Tax Credit for CMT purposes	From **277** -				
	If **276** - **277** is negative, enter NIL in **290**	=	920 ▶		**290** -	920
	Income Tax eligible for CMT Credit				**300** =	2,420
B.	Income Tax (after deduction of specified credits)				From **230** +	3,340
	Subtract: CMT credit used to reduce income taxes				**310** -	
	Income Tax				**320** =	3,340

Transfer to Page 18

If A & B apply, **310** ***cannot exceed the lesser of*** **230**, **300** ***and your CMT credit carryover available*** **2307**.
If only B applies, **310** ***cannot exceed the lesser of*** **230** ***and your CMT credit carryover available 2307.***

Capital Tax *(Refer to Guide)*

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in* 480 *and* 430 *are both $1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in* 480 *and* 430 *are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets
must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16).

Any assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater of** (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock	**350**	+	10,000
Retained earnings (if deficit, deduct)	**351**	±	2,098,170
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	**352**	+	553,783
Loans and advances *(Attach schedule)*	**353**	+	1,700,000
Bank loans	**354**	+	
Bankers acceptances	**355**	+	
Bonds and debentures payable	**356**	+	
Mortgages payable	**357**	+	
Lien notes payable	**358**	+	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporation tax)	**359**	+	
Contingent, investment, inventory and similar reserves	**360**	+	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	**361**	+	
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	**362**	+	
Subtotal	**370**	=	4,361,953
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	**371**	-	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	**372**	-	
Total Paid-up Capital	**380**	=	4,361,953
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	**381**	-	
Net Paid-up Capital	**390**	=	4,361,953

Eligible Investments *(Refer to Guide)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 *(Refer to Guide)*	**400**	+	
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	**402**	+	
Mortgages due from other corporations	**403**	+	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	**404**	+	
Loans and advances to unrelated corporations	**405**	+	
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	**406**	+	
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	**407**	+	24,000
Total Eligible Investments	**410**	=	24,000

Total Assets

Total Assets per balance sheet	**420**	+	5,064,494
Mortgages or other liabilities deducted from assets	**421**	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	**422**	+	
Subtract: Investment in partnership(s)/joint venture(s)	**423**	-	
Total Assets as adjusted	**430**	=	5,064,494
Amounts in **360** and **361** (if deducted from assets)	**440**	+	
Subtract: Amounts in **371**, **372** and **381**	**441**	-	
Subtract: Appraisal surplus if booked	**442**	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	**443**	±	
Total Assets	**450**	=	5,064,494

Investment Allowance (**410** ÷ **450**) X **390** **Not to exceed 410**	**460**	=	20,671
Taxable Capital **390** - **460**	**470**	=	4,341,282

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	8,249,726		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*			
Aggregate of Gross Revenue	8,249,726	**480**	8,249,726
Total Assets (as adjusted)	From	**430**	5,064,494

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union** that is not a Financial Institution, complete only Section A below.

OR **If the corporation is NOT a member of an associated group and/or partnership**, review only the capital tax calculations in *Section B on pages 10 to 11* and select and complete the one specific subsection (e.g. B4) that applies to the corporation.

OR **If the corporation IS a member of an associated group and/or partnership**, complete Section C on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 and complete the applicable subsection: either E1 or E2. **Note:** if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in **550** on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership

B1. If the taxation year ends before January 1, 2001 and **430** and **480** are both $1,000,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

B2. If the taxation year end is after December 31, 2000 and **430** and **480** are both $1,500,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

B3. If the taxation year commences after September 30, 2001 and **430** and **480** on page 10 of the 2001 CT23 are both $3,000,000 or less, enter NIL in **550** on page 13 of the 2001 CT23 and complete the return from that point.

B4. If taxable capital, **470** on page 10, is $2,000,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

B5. If taxable capital, **470** on page 10, exceeds **$2,000,000** but is **$5,000,000 or less**, complete the following calculations and transfer the total from **508** to **543** on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(a) From **470** _____ x 0.3% = **490** + _____

Deduct:

($2,800,000 - From **470** _____) x 0.75% = **493** - _____ (NIL if negative)

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001

(**506** = **490** - **493**) **506** = _____ x From **30** _____% x **553** _____ = **507** + _____

Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From **470** _____ x 0.3% = **490** + _____

Deduct:

($3,200,000 - From **470** _____) x 0.5% = **495** - _____ (NIL if negative)

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001

(**509** = **490** - **495**) **509** = _____ x From **30** _____% x **558** _____ = **522** + _____

Ontario Allocation ** 365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) Capital Tax for that portion of a taxation year after September 30, 2001 for a corporation whose taxable capital is $5,000,000 or less and that is not associated, is NIL. + 0

Total Capital Tax for the taxation year 507 + 522 **508** = _____

*Transfer to **543** on Page 13 and complete the return from that point.*

B6. If taxable capital, **470** on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount from **508** to **543** on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From **470** _____ x From **30** _____ x 0.3% x **559** _____ **502** + _____

Ontario Allocation

Days in taxation year before October 1, 2001

**365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) + From **470** _____

\- 5,000,000

= **471** _____ x From **30** _____ x 0.3% x **560** _____ **523** + _____

Ontario Allocation

Days in taxation year after September 30, 2001

**365/366

Total Capital Tax for the taxation year 502 + 523 **508** = _____

Transfer to **543** and complete the return from that point

** *If floating taxation year, refer to Guide*

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and (1) **510** [X] (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation	From **470**	+	4,341,282

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**531**	+	101,876
Aggregate Taxable Capital **470 + 531**	**540**	=	4,443,158

If **540** above is $5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL. Enter NIL in **523** in E1(c) or E2(b) as applicable.

If **540** above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From **470** 4,341,282 ÷ From **540** 4,443,158 X 5,000,000 **541** = 4,885,356

Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**514**	+	
Total Aggregate Taxable Capital **540 + 514**	**520**	=	4,443,158

If **520** above is greater than $2,000,000, and less than $3,200,000 and a portion of the taxation year is before October 1, 2001,

the corporation must compute the following ratio.

From **470** _____ ÷ From **520** _____ **521** = _____

Transfer to section E1(a) and/or (b) as applicable

Note: 521 cannot exceed 1.00000

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 is *$2,000,000 or less*.

Enter NIL in **550** on page 13 and complete the return from that point.

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 *on page 12, exceeds $2,000,000*.

E1. If aggregate taxable capital **520** exceeds **$2,000,000** but is **$3,200,000 or less**, complete the following calculations and transfer the total from **508** to **543** and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(a) From **470** _____ x 0.3% _____ = **490** + _____

Deduct:

($2,800,000 - From **520** _____) x 0.75% x From **521** _____ = **493** - _____

(**506** = **490** - **493**) **506** = _____

x **30** _____ % (Ontario Allocation) x **553** _____ (Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 **365/366) = **507** + _____

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From **470** _____ x 0.3% _____ = **490** + _____

Deduct:

($3,200,000 - From **520** _____) x 0.5% x From **521** _____ = **495** - _____

(**509** = **490** - **495**) **509** = _____

x **30** _____ % (Ontario Allocation) x **557** _____ (Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 **365/366) = **522** + _____

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) Capital tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at **540** is $5,000,000 or less, is NIL. **523** + 0

Total Capital Tax for the taxation year 507 + 522 + 523 **508** = _____

Transfer to **543** and complete the return from that point

E2. If the aggregate taxable capital **520** on page 12, exceeds **$3,200,000** complete the following calculation and transfer the amount from **508** to **543** on this page, and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From **470** 4,341,282 x From **30** 100.0000 (Ontario Allocation) x 0.3% x **555** _____ (Days in taxation year before Oct. 1, 2001 / 365/366) = **502** + _____

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) + From **470** 4,341,282

- From **541** 4,885,356

471 _____ x From **30** 100.0000 (Ontario Allocation) x 0.3% x **560** 92 (Days in taxation year after September 30, 2001 / 365/366) = **523** + _____

Total Capital Tax for the taxation year 502 + 523 **508** = _____

Transfer to **543** and complete the return from that point

** *If floating taxation year, refer to Guide*

Capital Tax *before application of specified credits* **543** = _____

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* **546** - _____

Capital Tax: 543 - 546 **550** = _____

Transfer to Page 18

I.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 13, and complete the return from that point.

I.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ (Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1) x 0.6% x From **30** 100.0000 % (Ontario Allocation) x **555** 92 (Days in taxation year) ÷ **365/366 = **569** +

570 _____ (Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount) x **571** _____ (Capital Tax Rate *(Refer to Guide)*) x From **30** 100.0000 % (Ontario Allocation) x **555** 92 (Days in taxation year) ÷ **365/366 = **574** +

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575** =

***** If floating taxation year, refer to Guide***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculations and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** -

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)?(1) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** =

*Transfer to **543** on Page 13*

Premium Tax (s.74.2 & 74.3) *(refer to Guide)*

(1) Uninsured Benefits Arrangements **587** _____ x 2% **588** =
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to guide)* **589** -

Premium Tax 588 - 589 **590** =

Transfer to Page 18

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1	**600**	±	55,660

Transfer to Page 16

Add:

Federal capital cost allowance	**601**	+	41,742
Federal cumulative eligible capital deduction	**602**	+	367
Ontario taxable capital gain	**603**	+	
Federal non-allowable reserves. Balance beginning of year	**604**	+	
Federal allowable reserves. Balance end of year	**605**	+	
Ontario non-allowable reserves. Balance end of year	**606**	+	
Ontario allowable reserves. Balance beginning of year	**607**	+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	**608**	+	
Federal resource allowance	**609**	+	
Federal depletion allowance	**610**	+	
Federal foreign exploration and development expenses	**611**	+	

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of days in Taxation Year

			Days after May 1, 2000 and before Jan 1, 2001		Total days				
612		X 5/14.5 X	**24**	÷	**73** 92	= +	**631**		
			Days after Dec 31, 2000 and before Oct. 1, 2001		Total days				
612		X 5/14.0 X	**26**	÷	**73** 92	= +	**632**		
			Days after Sept. 30, 2001 and before Jan. 1, 2003		Total days				
612		X 5/12.5 X	**28** 92	÷	**73** 92	= +	**633**		
			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total days				
612		X 5/11.0 X	**31**	÷	**73** 92	= +	**634**		

Total add-back amount for Management fees, etc. **631 + 632 + 633 + 634** =	**613**	+	
Federal Scientific Research Expenses claimed in year from fed form T661	**615**	+	
Federal allowable business investment loss	**620**	+	
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	**614**	+	
Sub Total of Additions 601 to 615 + 620		= 42,109	**640** 42,109

Transfer to Page 16

Reconcile net income (loss) for Federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net income (loss) for federal income tax purposes, per federal T2 SCH 1	From **600**	±	55,660
Sub Total of Additions	From **640**	=	42,109

Deduct:

Ontario capital cost allowance	**650**	+	41,742
Ontario cumulative eligible capital deduction	**651**	+	367
Federal taxable capital gain	**652**	+	
Ontario non-allowable reserves. Balance beginning of year	**653**	+	
Ontario allowable reserves. Balance end of year	**654**	+	
Federal non-allowable reserves. Balance end of year	**655**	+	
Federal allowable reserves. Balance beginning of year	**656**	+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	**657**	+	
Ontario depletion allowance	**658**	+	
Ontario resource allowance	**659**	+	
Ontario research and development super allowance *(Attach schedule)*	**660**	+	
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	**674**	+	
Ontario current cost adjustment *(Attach schedule)*	**661**	+	
Ontario Scientific Research Expenses claimed in year from Ont form CT161	**679**	+	

Ontario New Technology Tax Incentive (ONTTI) Gross-up

Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year **662**

ONTTI Gross-up deduction calculation:

From **662** Gross-up of CCA x 100/ **30** 100.0000 (Ontario allocation) - From **662** **663** =

Workplace Child Care Tax Incentive: (*Applies* to qualifying expenditures incurred after May 5, 1998)

Qualifying expenditures **665** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **666** =

Workplace Accessibility Tax Incentive: (*Applies* to qualifying expenditures incurred after July 1, 1998)

Qualifying expenditures: **667** x 100% x 100/ **30** 100.0000 (Ontario Allocation) **668** =

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) *(Refer to Guide)*

Qualifying expenditures **670** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **671** =

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures **672** x 15% x 100/ **30** 100.0000 (Ontario Allocation) **673** =

Ontario allowable business investment loss	**678**	+	
Total of other deductions allowed by Ontario *(Attach schedule)*	**664**	+	

Sub Total of Deductions **650 to 660 + 674 + 661 + 679 + 663 + 666 + 668 + 671 + 673 + 678 + 664**	=	42,109	**680**	42,109
Net income (loss) for Ontario purposes **600 + 640 - 680**			**690** =	55,660

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	**700** (2) 35,355	**710** (2)	**720** (2)	**730**	**740**	**750**
Add: Current year's losses (7)	**701**	**711**	**721**	**731**	**741**	**751**
Losses from predecessor corporations (3)	**702**	**712**	**722**	**732**		**752**
Subtotal	**703**	**713**	**723**	**733**	**743**	**753**
Subtract: Utilized during the year to reduce taxable income	**704**	**715** (4)	**724**	**734** (4)	**744** (4)	**754** (4)
Expired during the year	**705**		**725**	**735**	**745**	
Carried back to prior years to reduce income (5)	**706** (2) To Pg 18	**716** (2) To Pg 18	**726** (2) To Pg 18	**736** (2) To Pg 18	**746**	
Subtotal	**707**	**717**	**727**	**737**	**747**	**757**
Balance at End of Year	**709** 35,355	**719**	**729**	**739**	**749**	**759**

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				**850**	**870**
801				**851**	**871**
802				**852**	**872**
803	**820**	**830**	**840**	**853**	**873**
804	**821**	**831**	**841**	**854**	**874**
805	**822**	**832**	**842**	**855**	**875**
806	**823**	**833**	**843**	**856**	**876**
807	**824**	**834**	**844**	**857**	**877**
808 2001/09/30	**825** 35,355	**835**	**845**	**858**	**878**
809 2001/12/31	**826**	**836**	**846**	**859**	**879**
Total	**829** 35,355	**839**	**849**	**869**	**889**

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Minister of Finance***.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Corporation's Account No. (MOF)	Taxation Year Ending	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			**910**	**920**	**930**	**940**
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.						
i) 3rd preceding	**901**		**911**	**921**	**931**	**941**
ii) 2nd preceding	**902**		**912**	**922**	**932**	**942**
iii) 1st preceding	**903**	2001/09/30	**913**	**923**	**933**	**943**
Total loss to be carried back			From **706**	From **716**	From **726**	From **736**
Balance of loss available for carryforward			**919**	**929**	**939**	**949**

Summary

Income Tax	From **230** or	**320**	+	3,340
Corporate Minimum Tax	From	**280**	+	
Capital Tax	From	**550**	+	
Premium Tax	From	**590**	+	
Total Tax Payable		**950**	=	3,340
Subtract: **Payments**		**960**	-	10,500
Capital Gains Refund (s.48)		**965**	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		**985**	-	
Specified Tax Credits *(Refer to Guide)*		**955**	-	
Balance		**970**	=	(7,160)
If payment due	Enclosed *	**990**		
If overpayment: Refund		**975**	=	7,160
Apply to		**980**		

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence Address

City

Province	Country	Postal Code

Signature

Date
2011/09/14

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net income/(loss) (unconsolidated, determined in accordance with GAAP)				**2100** ±	233,730
Subtract (to the extent reflected in net income/loss):					
Provision for recovery of income taxes		**2101** +			
Provision for deferred income taxes (credits)		**2102** +			
Equity income from corporations		**2103** +			
Share of partnership(s)/joint venture(s) income		**2104** +			
Dividends received/receivable deductible under fed.s.112		**2105** +			
Dividends received/receivable deductible under fed.s.113		**2106** +			
Dividends received/receivable deductible under fed.s.83(2)		**2107** +			
Federal Part VI.1 tax on dividends declared and paid after May 5, 1997, under fed.s.191.1(1)	x 9/4 =	**2108** +			
Subtotal		=		▶ **2109** -	
Add (to extent reflected in net income/loss):					
Provision for current taxes		**2110** +	11,115		
Provision for deferred income taxes (debits)		**2111** +			
Equity losses from corporations		**2112** +			
Share of partnership(s)/joint venture(s) losses		**2113** +			
Dividends that have been deducted to arrive at net income per Financial Statements. **Applies** to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))		**2114** +			
Subtotal		=	11,115	▶ **2115** +	11,115

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	**2116** +		or	**2117** -	
** Fed.s.85.1	**2118** +		or	**2119** -	
** Fed.s.97	**2120** +		or	**2121** -	
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	**2122** +		or	**2123** -	
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	**2124** +		or	**2125** -	
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4) and 44 for current/prior years	**2126** +		or	**2127** -	
Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	**2150** -				
Subtotal (Additions) = ▶				**2128** +	
Subtotal (Subtractions)		=		▶ **2129** -	
** Other adjustments				**2130** ±	(183,634)
Subtotal ± **2100** - **2109** + **2115** + **2128** - **2129** ± **2130**				**2131** =	61,211
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss *(Attach schedule)*				**2132** ±	
Adjusted net income (loss) (if loss, transfer to **2202** in **Schedule B**)				**2133** =	61,211
Deduct: CMT losses: pre-1994 Loss *	From	**2210** +			
CMT losses: other eligible losses *		**2211** +	38,212		
		=	38,212	▶ **2134** -	38,212

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this tax return.

CMT Base	**2135** =	22,999

Transfer to CMT Base on page 8

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2001/09/30	35,355						35,355
2001/12/31							
Totals	35,355						35,355

Current year non-capital loss

Net income (loss) for Ontario tax purposes		55,660
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Subtotal - if positive, enter "0"		
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year	35,355		
Losses expired after 7 years	-		
Non-capital losses - beginning balance	= 35,355		35,355
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+	
Current year non-capital loss from above			
Deduct - Non-capital loss carry back to:			
1st preceding taxation year against taxable income			
2nd preceding taxation year against taxable income			
3rd preceding taxation year against taxable income			
Current year non-capital loss net of carryback		+	
Subtotal		=	35,355
Deduct:			
Amount applied against taxable income (enter on line 704 of the CT23)			
Section 80 adjustments			
Other adjustments			
		-	
Non-capital losses - ending balance		=	35,355

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2001/09/30							
2001/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year		
Losses expired after 10 years	-	
Farm losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year farm loss		
Deduct - Farm loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
Subtotal		
Current year farm loss net of carry-back		+
Subtotal		=
Deduct:		
Amount applied against taxable income (enter on line 724 of the CT23)		
Section 80 adjustments		
Other adjustments		
		-
Farm losses - ending balance		=

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2001/09/30							
2001/12/31							
Totals							

Current year restricted farm loss

Net loss from farming business			
Deductible farm loss:			
Net loss from above	A		
$2,500 plus 1/2 (A - $2,500)	B	2,500	
Maximum deduction	C	8,750	
Deductible farm loss (lesser of A, B, and C)			-
Current year restricted farm loss			

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year			
Losses expired after 10 years		-	
Restricted farm losses - beginning balance		=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			+
Current year restricted farm loss			
Deduct - Restricted farm loss carry back to:			
1st preceding taxation year against farming income			
2nd preceding taxation year against farming income			
3rd preceding taxation year against farming income			
Current year restricted farm loss net of carry-back			+
Deduct:			
Amount applied against taxable income (enter on line 734 of the CT23)			
Section 80 adjustments			
Other adjustments			
			-
Restricted farm losses - ending balance			=

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Capital Cost Allowance
Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	7334207	2001/12/31

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☐

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	139,463				139,463		139,463	4			1,406	138,057
2	1,082,605	16,018			1,098,623	8,009	1,090,614	6			16,494	1,082,129
8	288				288		288	20			15	273
10	17,014	11,600			28,614	5,800	22,814	30			1,725	26,889
8	31,414	3,902			35,316	1,951	33,365	20			1,682	33,634
10	167,494				167,494		167,494	30			12,665	154,829
36	7,600				7,600		7,600					7,600
12		61,533			61,533	30,767	30,766	100			7,755	53,778
Totals	1,445,878	93,053				46,527	1,492,404				41,742	1,497,189

Enter in box **650** on the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Cumulative Eligible Capital Deduction
Schedule 10

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	(MOF) 7334207	2001/12/31

- **For use by a corporation that has eligible capital property.**
- **A separate cumulative eligible capital account must be kept for each business.**

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year *(if negative, enter zero)*						1,696	A
Add:	Cost of eligible capital property acquired during the taxation year	+	25,471	B			
	Amount transferred on amalgamation or wind-up of subsidiary	+		C			
	Other adjustments	+		D			
Total of B + C + D		=	25,471	x 3/4	=	19,103	E
Subtotal A + E					=	20,799	F
Deduct:	Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G			
	The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada)	+		H			
	Other adjustments	+		I			
Total of G + H + I		=		x 3/4	=		J
Ontario cumulative eligible capital balance F - J					=	20,799	K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 20,799 K x 7%* = 367 L

The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* *Enter amount in box **651 of the CT23*

Ontario cumulative eligible capital - closing balance K - L *(if negative, enter zero)* = 20,432 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Complete this part only if the amount at line K is negative

Amount from line K above *show as a positive amount*				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988		1		
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)		2		
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	3			
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	4			
Line **3** deduct line **4**		5		
Total lines **1 + 2 + 5**		6		
Line **T** from previous Ontario Schedule 10 for taxation years ending after February 27, 2000		7		
Deduct line **7** from line **6**				O
N - O *(cannot be negative)*				P
Amount on line **5** x 1/2				Q
P - Q				R
Amount on line **R** x 66.6667				S
Lesser of line **N** or line **O**				T
Amount to be included in income S + T				

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate **S**

Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
HEARST POWER SALES AND SERVICES COM	Yes	1800108	2001/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable income	Total Assets	Total Revenue	Taxable Capital
HEARST POWER SALES AND SERVICES COM		101,876	3,378	101,876
Totals	0	101,876	3,378	101,876

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	7334207	2001/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
HEARST POWER SALES AND SERVICES COMPANY LIM	1800108	2001/12/31	101,876
		Aggregate of taxable capital	101,876

Transfer to **540** of the CT23

Ontario
Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	7334207	2001/12/31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

Town of Hearst - demand loan	1,700,000
Total	1,700,000

*Transfer to **353** on the CT23*

Ontario
Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Eligible Investments - Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	7334207	2001/12/31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Investments	Corporation's Share of Partnership/Joint Venture Investments
The Enerconnect Limited Partnership	0.7528	3,188,098	24,000
		Total	24,000

*Transfer to **407** on the CT23*

Ontario
Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Corporate Minimum Tax - Associated Corporation

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	7334207	2001/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
HEARST POWER SALES AND SERVICES COMPANY L	1800108	2001/12/31	101,876	3,378
		Totals	101,876	3,378
			*Transfer to **249** of the CT23*	*Transfer to **250** of the CT23*

OConsent

Ontario Consent Form

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third party representative in matters pertaining to applicable legislation. **Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.**

The purpose of this form is:
[X] **To authorize** a third party representative or [ ] **To cancel** a third party representative

1. Client identification

Name
HEARST POWER DISTRIBUTION COMPANY LIMITED

Ontario Corporations Tax Account Number 7334207

2. Authorized third party identification

Authorized individuals' name

Address Phone number
( ) -

Authorized firm's name
Collins Barrow

Address Phone number
1021 George street P.O.Box 637 Hearst, Ontario P0L 1N0 (705) 362-4261

3. Details of authorization

Indicate the period for which authorization or cancellation applies:

All years [X]

OR

Specific years

OR

All years prior to

4. Authorized signature (client or authorized signing officer)

NICOLE LEDUC — Name
(705) 372-2815 — Telephone number
2011/09/14 — Date signed

Signature of client or authorized signing officer
Manager — Position, office or rank

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 642
33 King Street West
Oshawa ON L1H 8T1

CT23 - Certification Form Diskette Filing

Return I.D. # _____ *(Ministry Use Only)*

Corporations Tax Account Number
7334207

Please check appropriate boxes if applicable:

- [ ] First year of filing
- [ ] Amended return
- [ ] Taxation year end has changed (approval by CCRA required)
- [ ] Exempt from filing
- [ ] Final taxation year up to Dissolution
- [ ] Final taxation year before Amalgamation
- [ ] Floating Fiscal year end
- [X] Subject to CMT
- [ ] Change of Control fed.s.249(4)

Date Control was acquired: _____

Date of incorporation
2000/11/02

Return for taxation year
Start 2001/10/01
End 2001/12/31

CCRA Business No.
890534811RC0001

Jurisdiction Incorporated
ONTARIO

Corporation's legal name and mailing address
HEARST POWER DISTRIBUTION COMPANY LIMITED
Care of

Address
P.O. BAG 5000

Change of information? Yes [ ] No [X]

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Transmitter Details

Transmitter number
Transmitter name
Name of person to contact COLLINS BARROW
Telephone number (705) 362-4261
Facsimile number (705) 362-4641
Transmitter Address 1021 GEORGE STREET P.O. BOX 637
HEARST, ON P0L 1N0
Disk Reference Number

Aggregate of Total Revenue	**210**	8,253,104
Aggregate of Total Assets	**209**	5,166,370
Taxable Income (Non-capital Loss)	**10**	55,660
Total Tax Payable	**950**	3,340
Payments:	**990**	10,500
Enclosed:		
Apply to: Year		
Apply Amount:		

975 Refund: Yes [X] No [ ]
If Yes, Due to:
Loss Carryback: Yes [ ] No [X]
Overpayment: Yes [X] No [ ]
Refundable tax credit Yes [ ] No [X]

Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this Return, has been examined by me and is a true, correct and complete Return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC
Title
Manager
Full Residence address

City

Province	Country	Postal code

Signature

Phone Number	Date
(705) 372-2815	2011/09/14

Profile Version 2001.4.1.0 Approval code 0090

Payment Advice

Corporations Tax Account Number	7334207
Date of Incorporation	2000/11/02
Corporation Name	
HEARST POWER DISTRIBUTION COMPANY LIMITED	

Enter the amount of payment and indicate taxation year.

Taxation Year End	**Payment amount**
	$
2001/12/31	$
Total Payment	$

Submit your cheque (drawn on a Canadian financial institution) or money order in Canadian Funds, payable to: The Minister of Finance

Send to: Ontario Ministry of Finance
Corporations Tax Branch
P.O. Box 642
33 King Street West
Oshawa ON L1H 8T1

Incomplete information will result in a delay processing an assessment.

OInstalments

Ontario tax instalments

Instalment base

Year-end	Estimate for current year 2002/12/31	First instalment base 2001/12/31	Second instalment base 2001/09/30
Taxable income		55,660	
Base amount of tax		6,958	
Small business tax credit		3,618	
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
Income tax payable		3,340	
Corporate minimum tax payable			
Capital tax payable			
Premium tax payable			
Total tax payable		3,340	
Days in taxation year	365	92	61
Tax payable adjusted for short taxation years		13,251	
Estimated tax credits for the current year			
Instalment base		13,251	
Monthly payment		1,104	
Quarterly payment		3,313	

Instalment payment options

- [ ] 1. based on estimated taxes for the current year
- [ ] 2. based on the first instalment base
- [x] 3. based on the first and second instalment base
- [ ] 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2002/01/31			
2002/02/28			
2002/03/31	1,325		
2002/04/30	1,325		
2002/05/31	1,325		
2002/06/30	1,325		
2002/07/31	1,325		
2002/08/31	1,325		
2002/09/30	1,325		
2002/10/31	1,325		
2002/11/30	1,325		
2002/12/31	1,325		
Total	13,250		

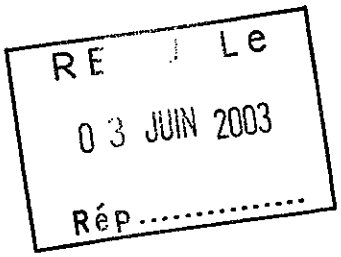
Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

CORPORATION NOTICE OF ASSESSMENT

Shawinigan-Sud QC G9N 7S6

0001643

HEARST POWER DISTRIBUTION
COMPANY LIMITED/CORPORATION DE
925 ALEXANDRA STREET
P O BAG 5000
HEARST ON P0L 1N0



Date of mailing	June 2, 2003
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2002

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment :	$	0.00
Prior balance:	$	9,248.45
Total balance:	$	9,248.45

We will not charge additional interest on the total balance shown if you pay the full amount by June 22, 2003.

Please refer to the Summary and Explanation for additional information.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

CORPORATION NOTICE OF ASSESSMENT

0001644

HEARST POWER DISTRIBUTION COMPANY
LIMITED/CORPORATION DE DIS

Date of mailing	June 2, 2003
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2002

SUMMARY OF ASSESSMENT

	$ Reported	$ Assessed
Federal Tax:		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIV	0.00	0.00
Total Federal Tax:		$ 0.00
Net balance:		$ 0.00
Result of this assessment:		$ 0.00
Prior balance:		$ 9,248.45
Total balance:		$ 9,248.45

Rob Wright
Commissioner of Customs and Revenue

EXPLANATION

We have revised the taxable income for the purpose of the small business deduction to $29,534.00, to correct a mathematical error.

We have revised the business limit to $200,000.00, to agree with the amount allocated to the corporation on Schedule 23, "Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit."

If necessary, we have adjusted subsequent taxation years for carry-forward balances, interest, and balance due date.

Please visit our Web site at www.ccra-adrc.gc.ca.

Did you know that electronic filing for corporation income tax returns is available? Please visit our Web site at http://www.ccra-adrc.gc.ca/t2return/ or call us for more information.

If you require further information, contact:

Shawinigan-Sud Tax Centre
4695, 12th Avenue
Shawinigan-Sud QC G9N 7S6
Phone (819) 537-5141
Fax (819) 536-4486
Toll-Free Long Distance Number 1-800-959-7405
We accept collect calls.

Sudbury Tax Services Office
1050 Notre Dame Avenue
Sudbury ON P3A 5C1
Toll-Free Long Distance Number 1-800-959-5525

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN — Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide (T4012).*

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) **001** 89053 4811 RC 0001

Corporation's name (item 12)

002 HEARST POWER DISTRIBUTION COMPANY LIMITED

Has the corporation changed its name since the last time we were notified? **003** ☐ Yes ☒ No

If *yes*, do you have a copy of the articles of amendment? **004** ☐ Yes ☐ No

Address of head office (item 13)

Has the address changed since the last time we were notified? **010** ☐ Yes ☒ No

011 P.O. BAG 5000

012

City: **015** HEARST — Province, territory, or state: **016** ON

Country (other than Canada): **017** — Postal code/Zip code: **018** P0L 1N0

Mailing address (if different from head office address) (item 14)

Has the address changed since the last time we were notified?

020 Yes ☐ No ☒

021 C/o

022 P.O. BAG 5000

023

City: **025** HEARST — Province, territory, or state: **026** ON

Country (other than Canada): **027** — Postal code/Zip code: **028** P0L 1N0

Location of books and records (item 15)

031 P.O. BAG 5000

032

City: **035** HEARST — Province, territory, or state: **036** ON

Country (other than Canada): **037** — Postal code/Zip code: **038** P0L 1N0

040 Type of corporation at end of taxation year (item 16)

1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change **043**

To which taxation year does this return apply? (item 17)

From **060** 2002/01/01 to **061** 2002/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? **063** ☐ Yes ☒ No

If *yes,* provide date control was acquired **065**

Is the corporation a professional corporation that is a member of a partnership? (item 18) **067** ☐ Yes ☒ No

Is this the first year of filing after:

Incorporation? (item 19) **070** ☐ Yes ☒ No

Amalgamation? (item 20) **071** ☐ Yes ☒ No

If *yes*, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)

If *yes*, complete Schedule 24 **072** ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22) **076** ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) **078** ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) **080** ☒ Yes ☐ No

If *no*, give the country of residence. **081**

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) **082** ☐ Yes ☒ No

If *yes*, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)

085
1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☒ Exempt under other paragraphs of section 149

Do not use this area

091	**092**	**093**	**094**	**095**	**096**
097					

Attachments

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150		9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172		-----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210	X	10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661/T665
124	Is the corporation subject to Part 1.3 tax?	233		33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236		36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40

Attachments - Continued from page 2

Guide item		Yes	Schedule
128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	☐	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253	☐	T1131
130 Is the corporation subject to Part XIII.1 tax?		☐	92 *
153 Is the corporation claiming a film or video production services tax credit refund?		☐	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		☐	T1134-A
44 Did the corporation have any controlled foreign affiliates?		☐	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over $100,000?		☐	T1135
44 Did the corporation transfer or loan property to a non-resident trust?		☐	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		☐	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		☐	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		☐	T1146
- Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		☐	T1174

Additional information

Is the corporation inactive? (item 48)	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes ☐	2 No ☒

What is the corporation's major business activity? (item 50) 282

(Only complete if *yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) 283 1 Wholesale ☐ 2 Retail ☒

Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)	284	ELECTRICAL UTILITY	285	100.000 %
	286		287	%
	288		289	%

Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes ☐	2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)		300	29,534	A
Deduct: Charitable donations from Schedule 2 (item 78)	311			
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312			
Cultural gifts from Schedule 2 (item 80)	313			
Ecological gifts from Schedule 2 (item 81)	314			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320			
Part VI.1 tax deduction from Schedule 43 (item 83)*	325			
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331			
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332			
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333			
Farm losses of prior taxation years from Schedule 4 (item 87)	334			
Limited partnership losses of prior years from Schedule 4 (item 88)	335			
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340			
Prospector's and grubstaker's shares (item 90)	350			
Subtotal			▶	B
Subtotal (amount A minus amount B) (if negative, enter "0")			29,534	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)		355		D
Taxable income (amount C plus amount D) (item 92)		360	29,534	
Income exempt under paragraph 149(1)(t) (item 93)		370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)				Z

* If the taxation year ends after December 31, 2002, use "3" Instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the *T2 Corporation Income Tax Guide*.

Small business deduction

Canadian-controlled private corporations throughout the taxation year

Income from active business carried on in Canada from Schedule 7 (item 95)	400	29,534	A
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96)	405		B

Calculation of the business limit: (item 97)
for all CCPCs, calculate the amount at line 4 below

$200,000 x	Number of days in the taxation year before 2003 / Number of days in the taxation year	365 / 365	=	200,000	1
$225,000 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	/ 365	=		2
$250,000 x	Number of days in the taxation year in 2004 / Number of days in the taxation year	/ 365	=		3
	Add amounts at line 1, 2, and 3			200,000	4

Business limit (see notes 1 and 2 below)	410		C

Notes:1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on like 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410

Business limit reduction: (item 98)
Amount C _____ X 415 *** D / 11,250 = _____ E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction - 16% of the least of amounts A, B, C, and F	430	0	G

(enter amount G of line 9 on page 7)

Accelerated tax reduction (item 99)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)		x		=	A
Net active business income (amount from line 400)*					B
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/4 of line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax (item 96)			C		
Deduct:					
Aggregate investment income (amount from line 440 of page 6)			D		
Amount C minus amount D (if negative, enter "0")			▶		E
Amount A, B, or E above, whichever is less					F
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	G		
Amount QQ from Part 13 of Schedule 27			H		
Resource allowance (line 346 of Schedule 1)		x 3 =	I		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			J		
Amount on line 400, 405, 410 or 425, whichever is less			K		
Total of amounts G, H, I, J, and K			▶		L
Amount F minus amount L (if negative, enter "0")					M
Accelerated tax reduction - 7% of amount M					N

(Enter amount N on line 637 of page 7)

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

General tax reduction for Canadian-controlled private corporations (item 101)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 page 3				A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	B	
Amount QQ from Part 13 of Schedule 27			C	
Resource allowance (line 346 of Schedule 1)		x 3 =	D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less			F	
Aggregate investment income from line 440 of page 6			G	
Amount used to calculate the accelerated tax reduction (amount M of page 4)			H	
Total of amounts B, C, D, E, F, G, and H		▶		I
Amount A minus amount I (if negative, enter "0")				J

Amount J x	Number of days in the taxation year in 2001 / Number of days in the taxation year	365	x 1% =	K
Amount J x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365	x 3% =	L
Amount J x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365	x 5% =	M
Amount J x	Number of days in the taxation year after 2003 / Number of days in the taxation year	365	x 7% =	N

General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N O

(enter amount O on line 638 of page 7)

General tax reduction (item 102)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 on page 3				A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	B	
Amount QQ from Part 13 of Schedule 27			C	
Resource allowance (line 346 of Schedule 1)		x 3 =	D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E	
Total of amounts B, C, D and E		▶		F
Amount A minus amount F (if negative, enter "0")				G

Amount G x	Number of days in the taxation year in 2001 / Number of days in the taxation year		x 1% =	H
Amount G x	Number of days in the taxation year in 2002 / Number of days in the taxation year		x 3% =	I
Amount G x	Number of days in the taxation year in 2003 / Number of days in the taxation year		x 5% =	J
Amount G x	Number of days in the taxation year after 2003 / Number of days in the taxation year		x 7% =	K

General tax reduction - total of amounts H, I, J and K L

(enter amount L on line 639 of page 7)

Refundable portion of Part I tax (item 103)

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income **440** X 26 2/3 % = A
(Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

Foreign investment income **445** X 9 1/3 % =
(Amount O from Part 1 of Schedule 7) (if negative, enter "0") B

Amount A **minus** amount B (if negative, enter "0") C

Taxable income from line 360 on page 3 29,534

Deduct:

Least of amounts on lines 400, 405, 410, and 425 on page 4

Foreign non-business income tax credit from line 632 on page 7 x 25/9 =

Foreign business income tax credit from line 636 on page 7 x 10/4 =

29,534 X 26 2/3% = 7,876 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)

Deduct corporate surtax from line 600 on page 7

Net amount E

Refundable portion of Part I tax - the least of amounts C, D, and E **450** 0 F

Refundable dividend tax on hand (item 104)

Refundable dividend tax on hand at the end of the preceding tax year **460**

Deduct dividend refund for the previous taxation year **465** A

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from line 360 on page 2 of Schedule 3

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480** B

Refundable dividend tax on hand at the end of the taxation year - amount A plus amount B **485** 0

Dividend refund (item 105)

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 X 1/3 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above B

Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8) 0

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106) **550** 0 A

Corporate surtax calculation (item 107)

Base amount from line A above			1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		2,953	2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environment trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b and c below on line 6:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)	c		
Total of lines 2 to 6		2,953	7
Net amount (line 1 minus line 7)			8

Corporate surtax - 4% of the amount on line 8 **600** B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108) **602** C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6			i
Taxable income from line 360 on page 3	29,534		
Deduct: The least of amounts on lines 400, 405, 410, and 425 on page 4			
Net amount	29,534 ▶	29,534	ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii **604** D

Subtotal (add lines A, B, C, and D) E

Deduct:

Small business deduction from line 430 on page 4			9
Federal tax abatement (item 110)	**608**		
Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)	**616**		
Investment corporation deduction (item 112)	**620**		
(Taxed capital gains **624**)			
Additional deduction - credit unions from Schedule 17 (item 113)	**628**		
Federal foreign non-business income tax credit from Schedule 21 (item 114)	**632**		
Federal foreign business income tax credit from Schedule 21 (item 115)	**636**		
Accelerated tax reduction from amount N of page 4 (item 116)	**637**		
General tax reduction for CCPC's from amount O of page 5 (item 117)	**638**		
General tax reduction from amount L of page 5 (item 117)	**639**		
Federal logging tax credit from Schedule 21 (item 118)	**640**		
Federal political contribution tax credit (item 119)	**644**		
Federal political contributions **646**			
Federal qualifying environmental trust tax credit (item 120)	**648**		
Investment tax credit from Schedule 31 (item 121)	**652**		
Subtotal		▶	F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122) 0 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7 (item 123)	700	
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		0

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132) 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765	
Total tax payable	770	0 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148)	780	
Dividend refund from Page 4 (items 149)	784	
Federal capital gains refund from Schedule 18 (item 150)	788	
Federal qualifying environmental trust tax credit refund (item 151)	792	
Canadian film or video production tax credit refund from Form T1131 (item 152)	796	
Film or video production services tax credit refund from Form T1177 (item 153)	797	
Tax withheld at source (item 154)	800	
Total payments on which tax has been withheld (item 154)	801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804	
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808	
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order (item 158)	816	
Tax instalments paid (item 159)	840	
Total credits	890	B

Refund Code (item 160) 894 ☐ Overpayment (item 163) ____ Balance (line A minus line B) 0 I

Direct Deposit Request (item 164)

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid (item 163) ____
Enclosed payment (item 162) 898 ____

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 161) 896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

950 LEDUC Surname | 951 NICOLE First name | 954 Manager Position, office or rank

955 2011/09/14 Date | 956 (705) 372-2815 Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name | 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance (item 166)

990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES — Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements			A	82,037
Add:				
Provision for income taxes - current	101	6,176		
Amortization of tangible assets	104	172,927		
Total of fields 201 to 294	199	2,722		
Total of fields 101 to 199	500	181,825	▶	181,825
Deduct:				
Capital cost allowance - Schedule 8	403	232,898		
Cumulative eligible capital deduction - Schedule 10	405	1,430		
Total of fields 401 to 499	510	234,328	▶	234,328
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)				29,534

Add:

Other additions:

602 Statement of partnership interest T5013 - net business incom			292	2,722
Total of fields 201 to 294 (Enter this amount at line 199)				2,722

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CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☐

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	138,057					138,057	4	5,522			132,535
2	1,082,129	19,838			9,919	1,092,048	6	65,523			1,036,444
8	273					273	20	55			218
10	26,889	13,435			6,718	33,606	30	10,082			30,242
8	33,634	15,814			7,907	41,541	20	8,308			41,140
10	154,829					154,829	30	46,449			108,380
36	7,600					7,600					7,600
12	53,778	86,363			43,182	96,959	100	96,959			43,182
Totals	1,497,189	135,450			67,726	1,564,913		232,898			1,399,741

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Schedule 10

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)				200 20,432	A
Add:					
Cost of eligible capital property acquired during the taxation year	222		B		
Transfer from predecessor or subsidiary corporation	224		C		
Other adjustments	226		D		
(add amounts B, C, and D)			x 3/4 =		E
Subtotal (amount A **plus** amount E)				230 20,432	F
Deduct:					
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H		
Other adjustments	246		I		
(add amounts G, H, and I)			x 3/4 =	248	J
Cumulative eligible capital balance (amount F **minus** amount J)				20,432	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)					
Current year deduction amount K		20,432	x 7% =	250 1,430	L
(Deduct amount L on line 405 of Schedule 1)					
Cumulative eligible capital balance at the end of the taxation year				300 19,002	M

Note: The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if line K is negative)

Amount from line K above (show as a positive amount)					N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	400		1		
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	401		2		
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	402		3		
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	408		4		
Line 3 **minus** line 4			5		
Total of lines 1, 2, and 5			6		
Line T from schedule 10 of previous taxation years ending after February 27, 2000	409		7		
Line 6 **minus** line 7					O
Line N **minus** line O (cannot be negative)					P
Amount on line 5 X 1/2					Q
Line P **minus** line Q					R
Amount on line R X 66.6667 *					S
Lesser of line N or line O					T
Amount to be included in income on line 108 of schedule 1, line S **plus** line T				410	

* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

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AGREEMENT AMONG ASSOCIATED CCPCs TO ALLOCATE THE BUSINESS LIMIT

Schedule 23

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.
Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").
Column 3: Enter the code that applies to each corporation:
1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction.
3 - non-CCPC that is "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"
Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 cannot exceed $200,000.
Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Allocation of the business limit

Date filed (for departmental use only) **025**

Enter the calendar year to which the agreement applies **050** 2002

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** ☐ 1 Yes ☒ 2 No

1 Names of associated corporations **100**	2 Business Number **200**	3 Association code **300**	4 Allocation of business limit * **400**	5 Year end to which this agreement applies **500**
HEARST POWER DISTRIBUTION COMPANY LIMITED	89053 4811 RC 0001	1	200,000	
HEARST POWER SALES AND SERVICES COMPANY LIMITE	86368 9998 RC 0001	1		
	RC	0		
		TOTALS	$ 200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 200,000

Names of all the corporations in the group	Last taxation year ending in the preceding calendar year: Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part I.3 tax for business limit reduction	Current year: Grossed-up reduced business limit
HEARST POWER DISTRIBUTION COMPANY L	55,660	55,660	50,411		
HEARST POWER SALES AND SERVICES COI					
TOTALS	$ 55,660	$ 55,660	$ 50,411	$	$

* Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 364.

Reduction to the business limit under subsection 125(5.1)

The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before deduction of the surtax credits) for its last taxation year ending in the preceding calendar year. The amount to be entered at line 415 of the T2 return includes the gross Part I.3 tax payable for each corporation that has an "associated code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note: If the taxation year of any of the associated corporations was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder **100**	Business Number * **200**	Social Insurance Number * **300**	Percentage common shares **400**	Percentage preferred shares **500**
The Corporation of the Town of Hearst	10812 7051 RC 0001		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

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BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Amount
Cash and deposits	**1000**	2,341,379
Accounts Receivable	1060	1,874,929
Inventories	1120	110,610
Taxes recoverable / refundable	1483	36,352
Prepaid expenses	1484	12,370
Land	1600	10,032
Buildings	1680	185,770
Machinery, equipment, furniture and fixtures	1740	535,652
Motor vehicles	1742	441,136
Computer equipment / software	1774	85,829
Goodwill	2012	116,726
Long term investments	2300	24,000
Total assets	**2599**	5,774,785

Liabilities	Code	Amount
Bank overdraft	**2600**	
Amounts payable and accrued liabilities	2620	1,330,795
Long term debt	3140	1,700,000
Total liabilities	**3499**	3,030,795

Equity	Code	Amount
Common shares	**3500**	10,000
Contributed and other surplus	3540	553,783
Retained earnings / deficit	**3600**	2,180,207
Total equity	**3620**	2,743,990
Total liabilities and equity	**3640**	5,774,785

Retained earnings	Code	Amount
Retained earnings/deficit-start	**3660**	2,098,170
Net income / loss	**3680**	82,037
Total retained earnings	**3849**	2,180,207

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INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Amount
Trade sales of goods and services	**8000**	9,166,835
Total sales of goods and services	**8089**	9,166,835
Investment revenue	8090	76,921
Other revenue	8230	60,955
Total revenue	**8299**	9,304,711

Cost of sales	Code	Amount
Opening inventory	**8300**	
Purchases / cost of materials	8320	8,525,627
Cost of sales	**8518**	8,525,627
Gross profit / loss (item 8089 - item 8518)	**8519**	641,208

Operating expenses	Code	Amount
Advertising and promotion	8520	1,093
Employee benefits	8620	37,942
Amortization of tangible assets	8670	172,927
Interest and bank charges	8710	20,911
Office expenses	8810	22,921
Rental	8910	4,245
Repairs and maintenance	8960	113,085
Salaries and wages	9060	121,657
Sub-contracts	9110	34,063
Supplies	9130	140,457
Other expenses	9270	21,570
Total operating expenses	**9367**	690,871
Total expenses	**9368**	9,216,498
Net non-farming income	**9369**	88,213

Farming revenue	Code	Amount
Grains and oilseeds	**9370**	
Total farm revenue	**9659**	

Farming expenses	Code	Amount
Crop expenses	**9660**	
Total farm expenses	**9898**	
Net farm income	**9899**	
Net income / loss before taxes and extraordinary items	**9970**	88,213

Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	**9975**	-	
Legal settlements	**9976**	-	
Unrealized gains / losses	**9980**	+	
Unusual items	**9985**	-	
Current income taxes	**9990**	-	6,176
Deferred income tax provision	**9995**	-	
Net income / loss after taxes and extraordinary items	**9999**	=	82,037

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

NOTES CHECKLIST

Schedule 141

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are that not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the *Guide to the General Index of Financial Information (GIFI) for Corporations* and the *T2 Corporation – Income Tax Guide*.
- For the purposes of this schedule, the person who reported on or prepared the financial statements of the corporation is referred to as the "accounting practitioner".

Part 1 – Accounting practitioner information

Choose only one of the following three options, whichever applies to the accounting practitioner: **096**

Chartered accountant	1	X
Other professional designation	2	
No professional designation	3	

Is the accounting practitioner connected* with the corporation? **097** ☐ Yes ☒ No

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: **098**

Completed an auditor's report	1	X
Completed a review engagement report	2	
Compiled the financial statements along with reviewing the books	3	
Conducted a compilation engagement	4	

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? **099** ☒ Yes ☐ No

Part 4 – Other information

Were notes to the financial statements prepared?	**101**	☐ Yes	☒ No
If you answered *Yes* to the question at line 101, complete lines 102 to 107 below:			
Are any values presented at other than cost?	**102**	☐ Yes	☒ No
Has there been a change in accounting policies since the last return?	**103**	☐ Yes	☒ No
Are subsequent events mentioned in the notes?	**104**	☒ Yes	☐ No
Is re-evaluation of asset information mentioned in the notes?	**105**	☐ Yes	☒ No
Is contingent liability mentioned in the notes?	**106**	☐ Yes	☒ No
Is information regarding commitments mentioned in the notes?	**107**	☒ Yes	☐ No
Does the corporation have investments in joint venture(s) or partnership(s)?	**108**	☐ Yes	☒ No
If you answered *Yes* to the question at line 108, complete line 109 below:			
Are you filing financial statements of the joint venture(s) or partnership(s)?	**109**	☐ Yes	☐ No

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 – Consent to release of information to a representative

Client's name: HEARST POWER DISTRIBUTION COMPANY LIMITED Business Number: 890534811

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

COLLINS BARROW

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

(705) 362-4261 Representative's telephone number

(705) 362-4641 Representative's fax number

Part 2 – Details of consent

A. Which accounts?

I request that this consent apply to all accounts. [X] OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 [ ]	RC _____	RC _____
GST/HST	RT0001 [ ]	RT _____	RT _____
Payroll deductions	RP0001 [ ]	RP _____	RP _____
Import/Export	RM0001 [ ]	RM _____	RM _____

B. Which years?

I request that this consent apply to all years. [X] OR

I request that this consent apply only to the following years:

1. All year-ends up to: _____
2. All year-ends beginning in: _____ and all years after that.
3. The following year-ends only: _____ _____

_____ _____

BUSINESS CONSENT FORM

Part 3 – Cancellation of consent to release of information to a representative

Client's name: HEARST POWER DISTRIBUTION COMPANY LIMITED Business Number: 890534811

I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

( ) - Representative's telephone number

( ) - Representative's fax number

Part 4 – Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 ☐	RC	RC
GST/HST	RT0001 ☐	RT	RT
Payroll deductions	RP0001 ☐	RP	RP
Import/Export	RM0001 ☐	RM	RM

B. Which years?

I request that this consent apply to all years. ☐ OR

I request that this consent apply only to the following years:

1. All year-ends up to:
2. All year-ends beginning in: and all years after that.
3. The following year-ends only:

Part 5 – Signature

Print your name NICOLE LEDUC Title Manager

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here ▶ Date 2011/09/14

TaxPaid

Tax instalments paid

Jurisdiction	Description	Date	Amount
Ontario	instalments		42,000
Federal			
		Total	42,000

* Enter Québec instalments paid on form CO-1027.VE

Summary by jurisdiction

Federal		Manitoba	
British Columbia		Ontario	42,000
Alberta			
Saskatchewan			

Summary

Tax Summary

Tax year ending 2002/12/31

Taxable income

Net income for tax purposes		29,534
Charitable donations and gifts	-	
Taxable dividends	-	
Losses of prior years	-	
Other adjustments	±	
Taxable income	=	29,534

Part I tax

38% of taxable income			
Surtax	+		
Refundable tax on CCPC investment income	+		
Active business income		29,534	
Small business deduction	-		
Federal tax abatement	-		
Manufacturing and processing deduction	-		
Foreign tax credits	-		
Political contribution tax credit	-		
Investment tax credit	-		
Other deductions and credits	-		
Part I tax	=		

Tax payable

Part I tax			
Part I.3 tax (large corporations tax)	+		
Taxable dividends received			
Part IV tax	+		
Other federal tax payable	+		
Subtotal	=		
Provincial and territorial tax (except QC,ON,AB)	+		
Provincial tax on large corporations (NB,NS)	+		
Tax payable	+		
Tax instalments paid	-		
Investment tax credit refund	-		
Taxable dividends paid			
Dividend refund	-		
Other refundable credits	-		
Balance owing (refund) on federal return	=		
Provincial income tax (ON,AB,QC)			
Capital and other provincial taxes	+		
Tax instalments and credits	-		42,000
Other provincial taxes	=		(42,000)
Total balance owing (refund)			(42,000)

Provincial tax

	Taxable income	Income tax	Capital and other provincial taxes	Tax instalments and credits	Net provincial tax
Newfoundland					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Schedule 5 provincial tax payable					
Ontario	29,534			42,000	(42,000)
Alberta					
Québec					
Totals				42,000	(42,000)

Loss carryforwards

Capital	
Non-capital	
Farm	
Restricted farm	
Limited partnership	
Listed personal property	

Other carryforwards

Capital dividend account	
Refundable dividend tax on hand (net of dividend refund)	
Unused Part 1.3 tax credit	
Unused surtax credits	623
Foreign business tax credits	
Donations and gifts	
Investment tax credits	

5Year

5 Year Tax Summary

Years Ending:		2002/12/31		2001/12/31		2000/12/31				
Taxable income										
Net Income for tax purposes		29,534		55,660		(35,355)				
Charitable donations and gifts	-		-		-		-		-	
Taxable dividends	-		-		-		-		-	
Losses of other years	-		-		-		-		-	
Other adjustments	±		±		±		±		±	
Taxable income	=	29,534	=	55,660	=		=		=	
Active business income		29,534		55,660						
Part I tax										
38% of taxable income				21,151						
Surtax	+		+	623	+		+		+	
Refundable tax on CCPC investment income	+		+		+		+		+	
Small business deduction	-		-	8,066	-		-		-	
Federal tax abatement	-		-	5,566	-		-		-	
Manufacturing and processing deduction	-		-		-		-		-	
Foreign tax credits	-		-		-		-		-	
Political contribution tax credit	-		-		-		-		-	
Investment tax credit	-		-		-		-		-	
Other deductions and credits	-		-	367	-		-		-	
Part I tax	=		=	7,775	=		=		=	
Tax payable										
Part I tax				7,775						
Part I.3 tax	+		+		+		+		+	
Part IV tax	+		+		+		+		+	
Other federal tax payable	+		+		+		+		+	
Subtotal	=		=	7,775	=		=		=	
Provincial and territorial tax (except QC,ON,AB)	+		+		+		+		+	
Provincial tax on large corporations (NB,NS)	+		+		+		+		+	
Tax payable	=		=	7,775	=		=		=	
Tax instalments made	-		-		-		-		-	
Investment tax credit refund	-		-		-		-		-	
Dividend refund	-		-		-		-		-	
Other refundable credits	-		-		-		-		-	
Balance owing (refund)	=		=	7,775	=		=		=	
Provincial income tax (ON,AB,QC)				3,340						
Capital and other provincial taxes	+		+		+		+		+	
Tax instalments and credits	-	42,000	-	10,500	-		-		-	
Other provincial taxes	=	(42,000)	=	(7,160)	=		=		=	
Total taxes owing (refund)		(42,000)		615						

Notice	T2	Tax payable has been set to NIL as corporation is exempt from tax.
Notice	Info	Tax payable has been set to NIL as corporation is exempt from tax.
Notice	CT23	Tax payable has been set to NIL as corporation is exempt from tax.
Notice	OEfile	This return must be filed on disk as corporation is subject to CMT.
Override	T2	Line 85: Exemption from tax under section 149 (ProFile: Exempt under 149(1)(e) or (l))
Override	Info	Disk file this return? (ProFile: Yes)
Memo	CDA	Net non-taxable ECP gain eligible for CDA: "In the previous ProFile release, the amounts in the Prior Year column of the CDA summary for the 31/12/2002 taxation year data were: ECP amounts of 0 for 1/4 of net proceeds, 0 for proceeds not included in income, 6,368 for 1/4 of expenditures and 0 for other adjustments. These values may not be correct. Review the prior year returns and enter the correct prior year net ECP amount eligible for CDA in the CDA details continuity schedule (CDASupp)."

Net non-taxable ECP gain eligible for CDA

In the previous ProFile release, the amounts in the Prior Year column of the CDA summary for the 31/12/2002 taxation year data were: ECP amounts of 0 for 1/4 of net proceeds, 0 for proceeds not included in income, 6,368 for 1/4 of expenditures and 0 for other adjustments. These values may not be correct. Review the prior year returns and enter the correct prior year net ECP amount eligible for CDA in the CDA details continuity schedule (CDASupp).

September 14, 2011

CBMN FINANCIAL SERVICES INC
COLLINS BARROW
1021 George street
Hearst, Ontario
P0L 1N0

MS. LEDUC
HEARST POWER DISTRIBUTION COMPANY LIMITED

Dear MS. LEDUC:

We enclose your copy of the tax return with supporting schedules and financial statements for HEARST POWER DISTRIBUTION COMPANY LIMITED. We have prepared this return based on the information you provided to us.

We have also included the T2 Return and Schedule Information (T2 RSI), which is the keying summary required by Canada Customs and Revenue Agency (CCRA). Please sign page 5 of RSI Schedule 200 and Form RC59, Business Consent Form. Mail the T2 RSI to CCRA on or before June 30, 2003.

The T2 return shows no balance owing and no refund.

The CT23 Tax Return is being filed on disk. In addition to the disk, please submit the following to the Ontario Ministry of Finance:

Signed copy of CT23 Certification Form - Diskette Filing
Financial Statements
Consent Form

The CT23 return shows a refund of $42,000.

If you have any questions about your return(s), please contact me at 705-362-4261.

Sincerely yours,

COLLINS BARROW

CBMN FINANCIAL SERVICES INC

Enclosure

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file th CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No **Page 1 of 24**

Ministry Use

Corporation's Legal Name *(including punctuation)*
HEARST POWER DISTRIBUTION COMPANY LIMITED

Ontario Corporations Tax Account No. (MOF)
7334207

Mailing address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

This CT23 Return covers the Taxation Year
Start 2002/01/01
End 2002/12/31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of change

Date of Incorporation or Amalgamation
2000/11/02

Registered/Head Office Address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Ontario Corporation No. (MCBS) 7334207

Location of Books and Records
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Canada Customs and Revenue Agency Business No.
890534811RC0001

Name of person to contact regarding this CT23 Return
NICOLE LEDUC

Telephone No.
(705) 372-2815

Fax No.
( ) -

Jurisdiction Incorporated
ONTARIO

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)

City	Province	Country	Postal code

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced
Ceased
☒ ***Not Applicable***

Former Corporation Name (*Extra-Provincial Corporations only*) ☐ ***Not applicable*** (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s) 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check 1 this box. Schedule(s) A and K are not required (MCBS). ▶ ☐ **No Change**

Preferred Language / *Langue de préférence*
☒ English / anglais ☐ French / français

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person
NICOLE LEDUC

Title: **D** ☐ Director **O** ☐ Officer **P** ☐ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);
c) had no Ontario Corporations Tax payable for the taxation year;
d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act* (Canada));
e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed $5 million or whose total revenues exceed $10 million for the taxation year).

Signature	Title/Relationship to Corporation	Telephone number ( ) -	Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

NOTE 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

NOTE 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

1. If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
2. If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
3. If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items MUST be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is **also** being filed, completion of these fields is NOT necessary.

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation No. (MCBS)

3.Canada Customs and Revenue Agency Business No.
RC

A corporation **must file** an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, **within 6 months** after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		
X		(a)	The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents (nearest whole percentage) 100 %
X		(b)	The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (*Refer to guide)*
	X	(c)	The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
	X	(d)	The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution; OR The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each $3,000,000 or less and the corporation is not a financial institution.
X		(e)	The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
X		(f)	The corporation's Ontario allocation factor is 100%.

NOTE: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a), (b), (c), (e) and (f) above.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation - Please check (1) box(es) if applicable in sections 1 & 2

1

- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

2

- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp s.47
- 4 [ ] Credit Union s.51
- 5 [ ] Bank Mortgage Subsidiary s.61(4)
- 6 [ ] Bank s.1(2)
- 7 [ ] Loan and Trust Corporation s.61(4)
- 8 [ ] Non-resident Corp s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corp s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-resident s.63(1)
- 16 [ ] Financial institutions prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [ ] Hydro successor, Municipal Electrical Utility or subsidary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity

Please check (1) box(es) if applicable:

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- [ ] Final Taxation Year up to Dissolution(wind-up) (Note: For discontinued businesses, see Guide.)
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s.249(4)

Date control was acquired: _____

Was the corporation inactive throughout the taxation year?		Yes [ ]	No [X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?		Yes [X]	No [ ]
Are you requesting a refund due to:	the Carry-back of a Loss?	Yes [ ]	No [X]
	an Overpayment?	Yes [X]	No [ ]
	a Specified Refundable Tax Credit?	Yes [ ]	No [X]
Are you a Member of a Partnership or a Joint Venture?		Yes [ ]	No [X]

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From **690**	±	29,534
Subtract: Charitable donations	**1**	-	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	**2**	-	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	**3**	-	
Subtract: Ontario political contributions *(Attach schedule* 2A) (Int.B. 3002)	**4**	-	
Subtract: Federal Part VI.1 tax X 9/3	**5**	-	
Subtract: Prior years' losses applied - Non-capital losses	From **704**	-	
From **715** inclusion			
Net capital losses (page 16) X rate 50.000000 % =	**714**	-	
Farm losses	From **724**	-	
Restricted farm losses	From **734**	-	
Limited partnership losses	From **754**	-	
Taxable income (Non-capital loss)	**10**	=	29,534
Addition to taxable income for unused foreign tax deduction for federal purposes	**11**	+	
Adjusted taxable income 10 + **11** (if **10** is negative, enter **11**)	**20**	=	29,534

Taxable Income

						Number of days in Taxation Year					
						Days after Sept 30, 2001 and before Jan 1, 2004		Total days			
From **10** (or **20**)	29,534	X **30**	100.0000 Ontario Allocation	% X 12.5 % X	**33**	365	÷ **73**	365	= **29**	+	3,692
						Days after Dec 31, 2003		Total days			
From **10** (or **20**)	29,534	X **30**	100.0000 Ontario Allocation	% X 14.0 % X	**34**		÷ **73**	365	= **32**	+	

Income Tax Payable (before deduction of tax credits) **29** + **32**	**40**	=	3,692

Incentive Deduction for Small Business Corporations (IDSBC)(s.41) ***(If this section is not completed, the IDSBC will be denied.)***

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (1) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		**50**	29,534	
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	**51**	+		
Add: Losses of other years deducted for federal purposes (fed.s.111)	**52**	+		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	**53**	-		
	=	▶ **54**		
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	**55**	+		

Ontario Business Limit Calculation

	Days after Sept. 30, 2001 and before Jan. 1, 2003						
280,000 X	**28** 365	÷ **	365	=+ **43**	280,000		
	Days after Dec. 31, 2002 and before Jan. 1, 2004						
320,000 X	**31**	÷ **	365	=+ **46**			
	Days after Dec. 31, 2003						
400,000 X	**34**	÷ **	365	=+ **47**			

*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

Business limit for Ontario purposes **43** + **46** + **47**	= **44**	280,000	X **48**	100.0000 % =	**45**	280,000	

Income eligible for the IDSBC	From **30**	100.0000 % X	**56**		**60**	=
		****Ontario Allocation		Least of **50**, **54** or **45**		

* ***Note***: *Modified by s.41(6) and (7) for corporations that are members of a partnership.* ***(Refer to Guide.)***

** ***Note***: *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note***: *For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.*

**** ***Note***: *Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

			Number of Days in Taxation Year					
			Days after Sept 30, 2001 and before Jan 1, 2003		Total Days			
6.5 % X	**28**	365	÷	**73**	365	=	**79** +	6.5000
		Days after Dec 31, 2002 and before Jan 1, 2004			Total Days			
7.0 % X	**31**		÷	**73**	365	=	**89** +	
		Days after Dec 31, 2003			Total Days			
8.5 % X	**34**		÷	**73**	365	=	**90** +	

IDSBC Rate for Taxation Year 79 + 89 + 90 **78** = 6.5000

Claim From **60** X From **78** 6.5000 % **70** =

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

***** Short Taxation Years -*** Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

**** Taxable Income of the corporation** From **10** (or **20** if applicable) **80** + 29,534

If you are a member of an associated group (1) **81** X (Yes)

Taxable income of associated corporations *(Attach schedule)* **82** +

Aggregate Taxable Income **85** = 29,534

Number of days in Taxation Year

			Days after Sept 30, 2001 and before Jan 1, 2003		Total Days					
Subtract:	280,000 X	**28**	365	÷	**73** 365	=	**113** +	280,000		
			Days after Dec 31, 2002 and before Jan 1, 2004		Total Days					
	320,000 X	**31**		÷	**73** 365	=	**115** +			
			Days after Dec 31, 2003		Total Days					
	400,000 X	**34**		÷	**73** 365	=	**116** +			
					113 + **115** + **116**		=	280,000	**114** -	280,000

(If negative, enter nil) **86** =

Calculation of Specified Rate for Surtax

			Number of Days in Taxation Year					
			Days after Sept 30, 2001 and before Jan 1, 2003		Total Days			
4.333% X	**28**	365	÷	**73**	365	=	**95** +	4.3330
		Days after Dec 31, 2002 and before Jan 1, 2004			Total Days			
4.667% X	**31**		÷	**73**	365	=	**96** +	
		Days after Dec 31, 2003			Total Days			
4.667% X	**34**		÷	**73**	365	=	**97** +	

Specified rate of surtax for Taxation Year **95** + **96** + **97** **94** = 4.3330

From **86** X From **94** 4.3330 % = **87** =

From **87** X From **60** ÷ From **114** 280,000 **88** =

Surtax: Lesser of **70** or **88** **100** =

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits		**120** +	
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56** -		

Add: Adjustment for Surtax on Canadian-controlled private corporations

From **100** ÷ From **30** 100.0000 % ÷ From **78** 6.5000 % = **121**

*Ontario Allocation

Lesser of **56** or **121**		**122** +	
120 - **56** + **122**		**130** =	

Taxable income	From **10** +		29,534
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56** -		
Add: Adjustments for Surtax on Canadian-controlled private corporations	From **122** +		
Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada		**140** -	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses		**141** -	
10 - **56** + **122** - **140** - **141**		**142** =	29,534

Claim **Number of Days in Taxation Year**

143 X From **30** 100.0000 % X 1.5% X (Days after Sept 30, 2001 and before Jan 1, 2004) **33** 365 ÷ (Total Days) **73** 365 = **154** +

Lesser of **130** or **142** *Ontario Allocation

143 X From **30** 100.0000 % X 2.0% X (Days after Dec 31, 2003) **34** ÷ (Total Days) **73** 365 = **156** +

Lesser of **130** or **142** *Ontario Allocation

M&P claim for taxation year **154** + **156** **160** =

****Note****: Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule).* 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible credit **175** Credit claimed **180**

Subtotal of Income Tax **40** - **70** + **100** - **110** - **160** - **161** - **162** -**170** - **180** 190 = 3,692

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible credit from **5620** OITC claim form *(Attach original Claim Form)* **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible credit from **5798** Summary Schedule F **192** +

Ontario Film and Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates from **6596**
194
Eligible Credit from **6598** Summary Schedule G **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form Certified by Ontario Media Development Corporation
(*Attach the original Claim/Certification Form with the CT23 Tax Return.*) **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit from **7300** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) CT Schedule 193/199, as applicable
(*Attach the original Certification/Claim Form received from the OMDC* ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.*) **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** Claim Form certified by Ontario Media Development Corporation
(*Attach original Claim/Certification Form.)* **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* **201** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 **220** =

Specified Tax Credits *Applied to reduce Income Tax* **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** (amount cannot be negative) **230** = 3,692

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on ***Page 17***.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B on ***Page 8***.

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.
* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	**240** +	5,774,786			
*** Total Revenue of the corporation**			**241** +	9,166,836
If you are a member of an associated group (1) **242** [X] (Yes)					
Total Assets of associated corporations *(Attach schedule)*	**243** +				
Total Revenue of associated corporations *(Attach schedule)*			**244** +	
Aggregate Total Assets	**249** =	5,774,786			
Aggregate Total Revenue			**250** =	9,166,836

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on page 18.)*

Gross CMT Payable	CMT Base From **2135**	88,213 (If negative, enter zero)	X	From **30**	100.0000 (Ontario Allocation)	% X 4%	**276** =	3,529
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*							**277** -	
Subtract: Income Tax						From	**190** -	3,692
Net CMT Payable (if negative, enter Nil on page 17.)							**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from ***Page 7*** *to* ***Income Tax Summary, on Page 17***.

If **280** is less than zero and you have a CMT credit carryover, complete A & B below.

If **280** is greater than or equal to zero, transfer **230** to ***Page 17*** and transfer **280** to ***Page 17, and*** *to* ***Schedule D: Continuity of CMT Credit Carryovers****, on* ***Page 20.***

CMT Credit Carryover available	From	**2307**	

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)			From	**190** +	3,692
	Gross CMT payable	From **276** +	3,529			
	Subtract: Foreign Tax Credit for CMT purposes	From **277** -				
	If **276** - **277** is negative, enter NIL in **290**	=	3,529 ▶		**290** -	3,529
	Income Tax eligible for CMT Credit				**300** =	163
B.	Income Tax (after deduction of specified credits)			From	**230** +	3,692
	Subtract: CMT credit used to reduce income taxes				**310** -	
	Income Tax				**320** =	3,692

Transfer to Page 17

If A & B apply, **310** ***cannot exceed the lesser of*** **230, 300** ***and your CMT credit carryover available*** **2307**.

If only B applies, **310** ***cannot exceed the lesser of*** **230** ***and your CMT credit carryover available 2307.***

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines* 480 *and* 430 *on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in* 480 *and* 430 *are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in* 480 *and* 430 *are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	**350**	+
Retained earnings (if deficit, deduct) (Int.B. 3012)	**351**	±
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	**352**	+
Loans and advances *(Attach schedule)*(Int.B. 3013)	**353**	+
Bank loans (Int.B. 3013)	**354**	+
Bankers acceptances (Int.B. 3013)	**355**	+
Bonds and debentures payable (Int.B. 3013)	**356**	+
Mortgages payable (Int.B. 3013)	**357**	+
Lien notes payable (Int.B. 3013)	**358**	+
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	**359**	+
Contingent, investment, inventory and similar reserves (Int.B. 3012)	**360**	+
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	**361**	+
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	**362**	+
Subtotal	**370**	=
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	**371**	-
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	**372**	-
Total Paid-up Capital	**380**	=
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	**381**	-
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	**382**	-
Net Paid-up Capital	**390**	=

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	**402**	+
Mortgages due from other corporations	**403**	+
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	**404**	+
Loans and advances to unrelated corporations	**405**	+
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	**406**	+
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	**407**	+
Total Eligible Investments	**410**	=

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	**420**	+	5,774,786
Mortgages or other liabilities deducted from assets	**421**	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	**422**	+	
Subtract: Investment in partnership(s)/joint venture(s)	**423**	-	
Total Assets as adjusted	**430**	=	5,774,786
Amounts in **360** and **361** (if deducted from assets)	**440**	+	
Subtract: Amounts in **371**, **372** and **381**	**441**	-	
Subtract: Appraisal surplus if booked	**442**	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	**443**	±	
Total Assets	**450**	=	5,774,786

Investment Allowance (**410** ÷ **450**) X **390** — **Not to exceed 410**	**460**	=	
Taxable Capital **390** - **460**	**470**	=	

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	9,166,836			
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*				
Aggregate of Gross Revenue	9,166,836	**480**		9,166,836
Total Assets (as adjusted)	From	**430**		5,774,786

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below**.

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11. and if applicable, complete Section D or Section E on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in **550** on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership

B1. If the taxation year commences after September 30, 2001 and **430** and **480** on page 10 are both $3,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

B2. If taxable capital, **470** on page 10, is **$5,000,000 or less**, enter NIL in **550** on page 12 and complete the return from that point.

B3. If taxable capital, **470** on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount from **523** to **543** on page 12, and complete the return from that point.

\+ From **470** _____

\- _____

= **471** _____ x From **30** _____ x 0.3% x **555** _____ = **523** +

Ontario Allocation — Days in taxation year / **365/366 — *Transfer to 543 on page 12 and complete the return from that point***

**** If floating taxation year, refer to Guide**.

continued on Page 11

Capital Tax Calculation *continued from page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ **509** (1 if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada**.
If taxable capital **470** on page 10 is $5,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.
If taxable capital **470** on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in **542** Section D, and complete Section D and the return from that point

C2. ☒ **524** (1 if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada**
If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.
If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation ***Do NOT complete this calculation if ss.69(2.1) election is filed***

Taxable Capital form **470** on page 10 — From **470** +

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)* **531** +
Total Aggregate Taxable Capital **470 + 531** **540** =

If **540** above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in **523** in section D on page 12, as applicable.
If **540** above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From **470** _____ ÷ From **540** _____ X 5,000,000 **541** =
Transfer to Section 542 in D on page 12

Ss.69(2.1) Election Filed

☐ **591** (1 if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return***.
Proceed to **Section E** on page 12.

Capital Tax Calculation *continued from page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 on *page 11* exceeds $5,000,000.

Complete the following calculation and transfer the amount From **523** to **543**, and complete the return from that point.

+ From	**470**											
-	**542**											
=	**471**		x	From	**30**	% x 0.3% x		**555**	=	**523**	+	**Total Capital Tax for the taxation year**
					Ontario Allocation		Days in the taxation year ** (365/366)					
												Transfer to 543 and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From	**470**	X From	**30**	x 0.3%			=	**561**	+
- Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form								From	**995**	-
									562	=

Capital Tax	**562**		X	**555**	Days in taxation year ** (365/366)	=	**563**	+	***Transfer to 543 and complete the return from that poin***

**** If floating taxation year, refer to Guide**

Capital Tax *before application of specified credits*		**543**	=
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*		**546**	-
Capital Tax 543 - 546 *(amount cannot be negative)*		**550**	=

Transfer to page 17

Capital Tax *continued from page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

I.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ x 0.6% x From **30** _____ % x **555** _____ (Days in taxation year) ÷ **365/366 = **569** +

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation

570 _____ x **571** _____ x From **30** _____ % x **555** _____ (Days in taxation year) ÷ **365/366 = **574** +

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575** =

***** If floating taxation year, refer to Guide***.

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** -

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (1) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** =

*Transfer to **543** on Page 12*

Premium Tax (s.74.2 & 74.3) *(refer to Guide)*

(1) Uninsured Benefits Arrangements **587** _____ x 2% **588** =

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to guide)* **589** -

Premium Tax 588 - 589 **590** =

Transfer to Page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1		**600** ±	29,534
			Transfer to Page 15

Add:

Federal capital cost allowance	**601** +	232,898	
Federal cumulative eligible capital deduction	**602** +	1,430	
Ontario taxable capital gain	**603** +		
Federal non-allowable reserves. Balance beginning of year	**604** +		
Federal allowable reserves. Balance end of year	**605** +		
Ontario non-allowable reserves. Balance end of year	**606** +		
Ontario allowable reserves. Balance beginning of year	**607** +		
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	**608** +		
Federal resource allowance	**609** +		
Federal depletion allowance	**610** +		
Federal foreign exploration and development expenses	**611** +		

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2004		Total days			
612		X 5/12.5 X	**33** 365	÷	**73** 365	=	**633** +	
			Days after Dec. 31, 2003		Total days			
612		X 5/14.0 X	**34**	÷	**73** 365	=	**634** +	

Total add-back amount for Management fees, etc. **633 + 634** =	**613** +		
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in **473** from Ont. CT23 schedule 161	**615** +		
Add any negative amount in **473** from Ont. CT23 Schedule 161	**616** +		
Federal allowable business investment loss	**620** +		
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	**614** +		
Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614	=	234,328	**640** 234,328
			Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under **675**)	**650** +	232,898	
Ontario cumulative eligible capital deduction	**651** +	1,430	
Federal taxable capital gain	**652** +		
Ontario non-allowable reserves. Balance beginning of year	**653** +		
Ontario allowable reserves. Balance end of year	**654** +		
Federal non-allowable reserves. Balance end of year	**655** +		
Federal allowable reserves. Balance beginning of year	**656** +		
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	**657** +		
Ontario depletion allowance	**658** +		
Ontario resource allowance	**659** +		
Ontario current cost adjustment *(Attach schedule)*	**661** +		
Incentive for new electricity supply (section 13.6 deduction from income) (***Applies*** only to electrical generating corporations.)	**674** +		
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	**675** +		
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	**681**	234,328	
		Transfer to Page 15	

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Continued from page 14

Net income (loss) for federal income tax purposes, per federal T2 SCH 1	From	**600**	±	29,534
Sub Total of Additions	From	**640**	=	234,328

Sub Total of deductions on page 14 From **681** = 234,328

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year **662**

ONTTI Gross-up deduction calculation:

From **662** Gross-up of CCA x 100/ **30** 100.0000 (Ontario allocation) - From **662** **663** =

Workplace Child Care Tax Incentive

Qualifying expenditures: **665** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **666** =

Workplace Accessibility Tax Incentive

Qualifying expenditures: **667** x 100% x 100/ **30** 100.0000 (Ontario Allocation) **668** =

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures **670** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **671** =

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures **672** x 15% x 100/ **30** 100.0000 (Ontario Allocation) **673** =

Ontario allowable business investment loss	**678**	+
Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161	**679**	+
Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)	**677**	+
Total of other deductions allowed by Ontario *(Attach schedule)*	**664**	+

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 234,328 **680** 234,328

Net income (loss) for Ontario purposes 600 + 640 - 680 **690** = 29,534

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	**700** (2)	**710** (2)	**720** (2)	**730**	**740**	**750**
Add: Current year's losses (7)	**701**	**711**	**721**	**731**	**741**	**751**
Losses from predecessor corporations (3)	**702**	**712**	**722**	**732**		**752**
Subtotal	**703**	**713**	**723**	**733**	**743**	**753**
Subtract: Utilized during the year to reduce taxable income	**704** (2)	**715** (2)(4)	**724** (2)	**734** (2)(4)	**744** (4)	**754** (4)
Expired during the year	**705**		**725**	**735**	**745**	
Carried back to prior years to reduce income (5)	**706** (2) To Pg 17	**716** (2) To Pg 17	**726** (2) To Pg 17	**736** (2) To Pg 17	**746**	
Subtotal	**707**	**717**	**727**	**737**	**747**	**757**
Balance at End of Year	**709** (8)	**719**	**729**	**739**	**749**	**759**

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				**850**	**870**
801				**851**	**871**
802				**852**	**872**
803	**820**	**830**	**840**	**853**	**873**
804	**821**	**831**	**841**	**854**	**874**
805	**822**	**832**	**842**	**855**	**875**
806	**823**	**833**	**843**	**856**	**876**
807 2000/12/31	**824**	**834**	**844**	**857**	**877**
808 2001/12/31	**825**	**835**	**845**	**858**	**878**
809 2002/12/31	**826**	**836**	**846**	**859**	**879**
Total	**829**	**839**	**849**	**869**	**889**

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Minister of Finance***.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	**910**	**920**	**930**	**940**
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
Predecessor Corporation's Account No. (MOF) / Taxation Year Ending	**911**	**921**	**931**	**941**
i) 3rd preceding — **901**				
	912	**922**	**932**	**942**
ii) 2nd preceding — **902** 2000/12/31				
	913	**923**	**933**	**943**
iii) 1st preceding — **903** 2001/12/31				
Total loss to be carried back	From **706**	From **716**	From **726**	From **736**
Balance of loss available for carryforward	**919**	**929**	**939**	**949**

Summary

Income Tax	From **230** or	**320**	+	3,692
Corporate Minimum Tax	From	**280**	+	
Capital Tax	From	**550**	+	
Premium Tax	From	**590**	+	
Total Tax Payable		**950**	=	
Subtract: **Payments**		**960**	-	42,000
Capital Gains Refund (s.48)		**965**	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		**985**	-	
Specified Tax Credits *(Refer to Guide)*		**955**	-	
Balance		**970**	=	(42,000)
If payment due	Enclosed *	**990**		
If overpayment: Refund *(Refer to Guide)*		**975**	=	42,000
Apply to		**980**		

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. (Refer to guide for other payment methods.)

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence Address

City

Province	Country	Postal Code

Signature	Date
	2011/09/14

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net income/(loss) (unconsolidated, determined in accordance with GAAP)				**2100** ±	82,037
Subtract (to the extent reflected in net income/loss):					
Provision for recovery of income taxes / benefit of current income taxes	**2101** +				
Provision for deferred income taxes (credits) / benefit of future income taxes	**2102** +				
Equity income from corporations	**2103** +				
Share of partnership(s)/joint venture(s) income	**2104** +				
Dividends received/receivable deductible under fed.s.112	**2105** +				
Dividends received/receivable deductible under fed.s.113	**2106** +				
Dividends received/receivable deductible under fed.s.83(2)	**2107** +				
Federal Part VI.1 tax on dividends declared and paid, under fed.s.191.1(1) _____ x 9/3 =	**2108** +				
Subtotal		=		**2109** -	
Add (to extent reflected in net income/loss):					
Provision for current taxes / cost of current income taxes	**2110** +	6,176			
Provision for deferred income taxes (debits) / cost of future income taxes	**2111** +				
Equity losses from corporations	**2112** +				
Share of partnership(s)/joint venture(s) losses	**2113** +				
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	**2114** +				
Subtotal		=	6,176	**2115** +	6,176
Add/Subtract:					
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years					
** Fed.s.85	**2116** +		or **2117** -		
** Fed.s.85.1	**2118** +		or **2119** -		
** Fed.s.97	**2120** +		or **2121** -		
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	**2122** +		or **2123** -		
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	**2124** +		or **2125** -		
** Amounts relating to s.57.10 election/ regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	**2126** +		or **2127** -		
Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	**2150** -				
Subtotal (Additions)	=			**2128** +	
Subtotal (Subtractions)		=		**2129** -	
** Other adjustments				**2130** ±	
Subtotal ± **2100** - **2109** + **2115** + **2128** - **2129** ± **2130**				**2131** =	88,213
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss				**2132** ±	
Adjusted net income (loss) (if loss, transfer to **2202** in **Schedule B**)				**2133** =	88,213
Deduct: CMT losses: pre-1994 Loss * From	**2210** +				
CMT losses: other eligible losses *	**2211** +				
	=			**2134** -	

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this tax return.

CMT Base	**2135** =	88,213

Transfer to CMT Base on page 8

Corporate Minimum Tax (CMT)

Schedule B: Continuity of CMT Losses Carried Forward

CMT loss continuity by year

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Balance at Beginning of year (1), (2) **2201** +

Add:
- Current year's losses **2202** +
- Losses from predecessor corporations on amalgamation (3) **2203** +
- Losses from predecessor corporations on wind-up (3) **2204** +
- Amalgamation (1) **2205** ☐ Yes Wind-up (1) **2206** ☐ Yes

Subtotal = **2207** +

Adjustments (attach schedule) **2208** ±

CMT losses available 2201 + 2207 ± 2208 **2209** =

Subtract:
- Pre-1994 loss utilized during the year to reduce adjusted net income **2210** +
- Other eligible losses utilized during the year to reduce adjusted net income (4) **2211** +
- Losses expired during the year **2212** +

Subtotal = **2213** -

Balances at End of Year (5) **2209** - **2213** **2214** =

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisitions of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income **2133** and CMT losses available **2209**.

(5) Amount in **2214** must equal sum of **2270** and **2290**.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year-end before your corporation's first taxation year commencing after 1993.

Year of Origin (oldest year first)	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	**2260**	**2280**
2241	**2261**	**2281**
2242	**2262**	**2282**
2243	**2263**	**2283**
2244	**2264**	**2284**
2245	**2265**	**2285**
2246	**2266**	**2286**
2247 2000/12/31	**2267**	**2287**
2248 2001/12/31	**2268**	**2288**
2249 2002/12/31	**2269**	**2289**
Totals	**2270**	**2290**

The sum of amounts 2270 + 2290 must equal amount in 2214.

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers

CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/12/31							
2002/12/31							
Totals							

Balance at Beginning of year (1) **2301** +

Add: Current year's CMT Credit (**280** on page 8. If negative, enter NIL) From **280** +

CMT Credit Carryovers from predecessor corporations (2) **2302** +

Amalgamation (1) **2303** ☐ Yes Wind-up (1) **2304** ☐ Yes

Subtotal = **2305** +

Adjustments *(Attach schedule)* **2306** ±

CMT credit carryover available 2301 + 2305 ± 2306 **2307** =

Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8) From **310** +

CMT credit expired during the year **2308** +

Subtotal = **2309** -

Balance at End of Year (3) **2307** - **2309** **2310** =

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in **2310** must equal the sum of **2370** + **2390**.

Schedule E: Analysis of CMT Credit Carryovers Year-End Balance by Year of Origin

Year of Origin (oldest year first)		CMT Credit Carryovers of Corporation		CMT Credit Carryovers of Predecessor Corporations	
2340		**2360**		**2380**	
2341		**2361**		**2281**	
2342		**2362**		**2382**	
2343		**2363**		**2383**	
2344		**2364**		**2384**	
2345		**2365**		**2385**	
2346		**2366**		**2386**	
2347		**2367**		**2387**	
2348	2001/12/31	**2368**		**2388**	
2349	2002/12/31	**2369**		**2389**	
Totals		**2370**		**2390**	

The sum of amounts 2370 and 2390 must equal the amount in 2310.

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Capital Cost Allowance
Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	7334207	2002/12/31

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☐

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	138,057				138,057		138,057	4			5,522	132,535
2	1,082,129	19,838			1,101,967	9,919	1,092,048	6			65,523	1,036,444
8	273				273		273	20			55	218
10	26,889	13,435			40,324	6,718	33,606	30			10,082	30,242
8	33,634	15,814			49,448	7,907	41,541	20			8,308	41,140
10	154,829				154,829		154,829	30			46,449	108,380
36	7,600				7,600		7,600					7,600
12	53,778	86,363			140,141	43,182	96,959	100			96,959	43,182
Totals	1,497,189	135,450				67,726	1,564,913				232,898	1,399,741

Enter in box **650** on the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Cumulative Eligible Capital Deduction
Schedule 10

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	(MOF) 7334207	2002/12/31

- **For use by a corporation that has eligible capital property.**
- **A separate cumulative eligible capital account must be kept for each business.**

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year *(if negative, enter zero)*					20,432	A
Add:	Cost of eligible capital property acquired during the taxation year	+		B		
	Amount transferred on amalgamation or wind-up of subsidiary	+		C		
	Other adjustments	+		D		
Total of B + C + D		=		x 3/4=		E
Subtotal A + E				=	20,432	F
Deduct:	Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G		
	The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada)	+		H		
	Other adjustments	+		I		
Total of G + H + I		=		x 3/4=		J
Ontario cumulative eligible capital balance F - J				=	20,432	K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 20,432 K x 7%* = 1,430 L

The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* *Enter amount in box **651 of the CT23*

Ontario cumulative eligible capital - closing balance K - L *(if negative, enter zero)* = 19,002 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Complete this part only if the amount at line K is negative

Amount from line K above *show as a positive amount*				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988			1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)			2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988		3		
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988		4		
Line **3** deduct line **4**			5	
Total lines **1 + 2 + 5**			6	
Line **T** from previous Ontario Schedule 10 for taxation years ending after February 27, 2000			7	
Deduct line **7** from line **6**				O
N - O *(cannot be negative)*				P
Amount on line **5**	x 1/2			Q
P - Q				R
Amount on line **R**	x 66.6667			S
Lesser of line **N** or line **O**				T
Amount to be included in income S + T				

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate **S**

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED	7334207	2002/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
HEARST POWER SALES AND SERVICES COMPANY LIMITED	1800108	2002/12/31	
		Aggregate of taxable capital	

Transfer to **540** of the CT23

OConsent

Ontario Consent Form

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third party representative in matters pertaining to applicable legislation. **Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.**

The purpose of this form is:
☒ **To authorize** a third party representative or ☐ **To cancel** a third party representative

1. Client identification

Name
HEARST POWER DISTRIBUTION COMPANY LIMITED

Ontario Corporations Tax Account Number 7334207

2. Authorized third party identification

Authorized individuals' name

Address Phone number
( ) -

Authorized firm's name
COLLINS BARROW

Address Phone number
1021 George street P.O. Box 637 Hearst, Ontario P0L 1N0 (705) 362-4261

3. Details of authorization

Indicate the period for which authorization or cancellation applies:

All years ☒

OR

Specific years

OR

All years prior to

4. Authorized signature (client or authorized signing officer)

NICOLE LEDUC (705) 372-2815 2011/09/14
Name Telephone number Date signed

Manager
Signature of client or authorized signing officer Position, office or rank

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 642
33 King Street West
Oshawa ON L1H 8T1

CT23 - Certification Form Diskette Filing

Return I.D. # _____ *(Ministry Use Only)*

Corporations Tax Account Number
7334207

Please check appropriate boxes if applicable:

- ☐ First year of filing
- ☐ Amended return
- ☐ Taxation year end has changed (approval by CCRA required)
- ☐ Exempt from filing
- ☐ Final taxation year up to Dissolution
- ☐ Final taxation year before Amalgamation
- ☐ Floating Fiscal year end
- ☒ Subject to CMT
- ☐ Change of Control fed.s.249(4)

Date Control was acquired: _____

Date of incorporation
2000/11/02

Return for taxation year
Start 2002/01/01
End 2002/12/31

CCRA Business No.
890534811RC0001

Jurisdiction Incorporated
ONTARIO

Corporation's legal name and mailing address
HEARST POWER DISTRIBUTION COMPANY LIMITED
Care of

Address
P.O. BAG 5000

Change of information? Yes ☐ No ☒

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Transmitter Details

Transmitter number
Transmitter name
Name of person to contact COLLINS BARROW
Telephone number (705) 362-4261
Facsimile number (705) 362-4641
Transmitter Address 1021 GEORGE STREET P.O. BOX 637
HEARST, ON P0L 1N0
Disk Reference Number

Aggregate of Total Revenue	**210**	9,166,836
Aggregate of Total Assets	**209**	5,774,786
Taxable Income (Non-capital Loss)	**10**	29,534
Total Tax Payable	**950**	
Payments:	**990**	42,000
Enclosed:		
Apply to: Year		
Apply Amount:		

975 Refund: Yes ☒ No ☐
If Yes, Due to:
Loss Carryback: Yes ☐ No ☒
Overpayment: Yes ☒ No ☐
Refundable tax credit Yes ☐ No ☒

Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this Return, has been examined by me and is a true, correct and complete Return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence address

City

Province	Country	Postal code

Signature

Phone Number	Date
(705) 372-2815	2011/09/14

ProFile Version 2004.5.0 Approval code 051D

Payment Advice

Corporations Tax Account Number	7334207
Date of Incorporation	2000/11/02

Corporation Name
HEARST POWER DISTRIBUTION COMPANY LIMITED

Enter the amount of payment and indicate taxation year.

Taxation Year End	**Payment amount**
	$
2002/12/31	$
Total Payment	$

Submit your cheque (drawn on a Canadian financial institution) or money order in Canadian Funds, payable to: The Minister of Finance

Send to: Ontario Ministry of Finance
Corporations Tax Branch
P.O. Box 642
33 King Street West
Oshawa ON L1H 8T1

Incomplete information will result in a delay processing an assessment.

OInstalments

Ontario tax instalments

Instalment base

Year-end	Estimate for current year 2003/12/31	First instalment base 2002/12/31	Second instalment base 2001/12/31
Taxable income		29,534	55,660
Base amount of tax		3,692	6,958
Small business tax credit			3,618
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
Income tax payable		3,692	3,340
Corporate minimum tax payable			
Capital tax payable			
Premium tax payable			
Total tax payable		3,692	3,340
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		3,692	3,340
Estimated tax credits for the current year			
Instalment base		3,692	3,340
Monthly payment		308	278
Quarterly payment		923	835

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
- ☐ 2. based on the first instalment base
- ☒ 3. based on the first and second instalment base
- ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2003/01/31			
2003/02/28			
2003/03/31	835		
2003/04/30			
2003/05/31			
2003/06/30	952		
2003/07/31			
2003/08/31			
2003/09/30	952		
2003/10/31			
2003/11/30			
2003/12/31	952		
Total	3,691		

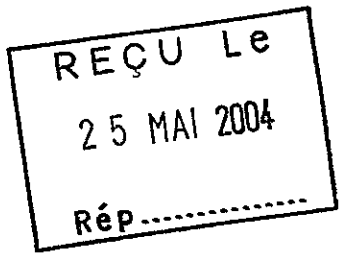
Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

CORPORATION NOTICE OF ASSESSMENT

Shawinigan-Sud QC G9N 7S6

0001845

HEARST POWER DISTRIBUTION
COMPANY LIMITED/CORPORATION DE
925 ALEXANDRA STREET
P O BAG 5000
HEARST ON P0L 1N0



Date of mailing	May 18, 2004
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2003

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment :	$	0.00
Prior balance:	$	0.00
Total balance:	$	0.00

Please refer to the Summary and Explanation for additional information.

CORPORATION NOTICE OF ASSESSMENT

HEARST POWER DISTRIBUTION COMPANY
LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

Date of mailing	May 18, 2004
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2003

SUMMARY OF ASSESSMENT

	$ Reported	$ Assessed
Federal Tax:		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
Total Federal Tax:		$ 0.00
Net balance:		$ 0.00
Result of this assessment:		$ 0.00
Prior balance:		$ 0.00
Total balance:		$ 0.00

Alan Nymark
Commissioner of Customs and Revenue

EXPLANATION

We have revised the non-capital loss closing balance on Schedule 4, "Corporation Loss Continuity and Application," to $43,492.00, to agree with our records.

If necessary, we have adjusted subsequent taxation years for carry-forward balances, interest, and balance due date.

Please visit our Web site at www.ccra-adrc.gc.ca.

Did you know that Corporation Internet Filing is available? Please visit our Web site at www.ccra.gc.ca/corporation-internet or contact our Help Desk toll free at 1-800-959-2803 for further information.

If you require additional information or wish to request an adjustment, contact:

Shawinigan-Sud Tax Centre
4695, 12th Avenue
Shawinigan-Sud QC G9N 7S6
Phone (819) 537-5141
Fax (819) 536-4486
Toll-Free Long Distance Number 1-800-959-7405
We accept collect calls.

Sudbury Tax Services Office
1050 Notre Dame Avenue
Sudbury ON P3A 5C1
Toll-Free Long Distance Number 1-800-959-5525

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN — Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide (T4012).*

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) **001** 89053 4811 RC 0001

Corporation's name (item 12)

002 HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

Has the corporation changed its name since the last time we were notified? **003** ☐ Yes ☒ No

If *yes*, do you have a copy of the articles of amendment? **004** ☐ Yes ☐ No

Address of head office (item 13)

Has the address changed since the last time we were notified? **010** ☐ Yes ☒ No

011 P.O. BAG 5000

012

City: **015** HEARST — Province, territory, or state: **016** ON

Country (other than Canada): **017** — Postal code/Zip code: **018** P0L 1N0

Mailing address (if different from head office address) (item 14)

Has the address changed since the last time we were notified?

020 ☐ Yes ☒ No

021 C/o

022 P.O. BAG 5000

023

City: **025** HEARST — Province, territory, or state: **026** ON

Country (other than Canada): **027** — Postal code/Zip code: **028** P0L 1N0

Location of books and records (item 15)

031 P.O. BAG 5000

032

City: **035** HEARST — Province, territory, or state: **036** ON

Country (other than Canada): **037** — Postal code/Zip code: **038** P0L 1N0

040 Type of corporation at end of taxation year (item 16)

1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change **043**

To which taxation year does this return apply? (item 17)

From **060** 2003/01/01 to **061** 2003/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? **063** ☐ Yes ☒ No

If *yes,* provide date control was acquired **065**

Is the corporation a professional corporation that is a member of a partnership? (item 18) **067** ☐ Yes ☒ No

Is this the first year of filing after:

Incorporation? (item 19) **070** ☐ Yes ☒ No

Amalgamation? (item 20) **071** ☐ Yes ☒ No

If *yes*, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)

If *yes*, complete Schedule 24 **072** ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22) **076** ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) **078** ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) **080** ☒ Yes ☐ No

If *no*, give the country of residence. **081**

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) **082** ☐ Yes ☒ No

If *yes*, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)

085
1 ☒ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	**092**	**093**	**094**	**095**	**096**
097					

Attachments

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150		9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172		-----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210	X	10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661/T665
124	Is the corporation subject to Part 1.3 tax?	233		33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236		36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40

Attachments - Continued from page 2

Guide item		Yes	Schedule
128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	☐	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253	☐	T1131
130 Is the corporation subject to Part XIII.1 tax?		☐	92 *
153 Is the corporation claiming a film or video production services tax credit refund?		☐	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		☐	T1134-A
44 Did the corporation have any controlled foreign affiliates?		☐	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over $100,000?		☐	T1135
44 Did the corporation transfer or loan property to a non-resident trust?		☐	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		☐	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		☐	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		☐	T1146
- Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		☐	T1174

Additional information

Is the corporation inactive? (item 48) **280** 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49) **281** 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? (item 50) **282**

(Only complete if *yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) **283** 1 Wholesale ☐ 2 Retail ☒

Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

284	ELECTRICAL UTILITY	**285**	100.000 %
286		**287**	%
288		**289**	%

Did the corporation immigrate to Canada during the taxation year? (item 53) **291** 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? (item 54) **292** 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)		**300**	(8,137)	A
Deduct: Charitable donations from Schedule 2 (item 78)	**311**			
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	**312**			
Cultural gifts from Schedule 2 (item 80)	**313**			
Ecological gifts from Schedule 2 (item 81)	**314**			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	**320**			
Part VI.1 tax deduction from Schedule 43 (item 83)*	**325**			
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	**331**			
Net capital losses of preceding taxation years from Schedule 4 (item 85)	**332**			
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	**333**			
Farm losses of prior taxation years from Schedule 4 (item 87)	**334**			
Limited partnership losses of prior years from Schedule 4 (item 88)	**335**			
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	**340**			
Prospector's and grubstaker's shares (item 90)	**350**			
Subtotal				B
Subtotal (amount A minus amount B) (if negative, enter "0")				C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)		**355**		D
Taxable income (amount C plus amount D) (item 92)		**360**	0	
Income exempt under paragraph 149(1)(t) (item 93)		**370**		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)				Z

* If the taxation year ends after December 31, 2002, use "3" Instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the *T2 Corporation Income Tax Guide*.

Small business deduction

Canadian-controlled private corporations throughout the taxation year

Income from active business carried on in Canada from Schedule 7 (item 95)	400		A
Taxable income from line 360 on page 3, **minus** 10/3 the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96)	405		B

Calculation of the business limit: (item 97)
for all CCPCs, calculate the amount at line 4 below

$200,000 x	Number of days in the taxation year before 2003 / Number of days in the taxation year		=		1
$225,000 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	=	225,000	2
$250,000 x	Number of days in the taxation year in 2004 / Number of days in the taxation year	365	=		3
		Add amounts at line 1, 2, and 3		225,000	4

Business limit (see notes 1 and 2 below)	410	225,000	C

Notes:1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on like 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410

Business limit reduction: (item 98)

Amount C 225,000 X 415 *** D / 11,250 = E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	225,000	F
Small business deduction - 16% of the least of amounts A, B, C, and F	430	0	G

(enter amount G of line 9 on page 7)

Accelerated tax reduction (item 99)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)		x		=	A
Net active business income (amount from line 400)*					B
Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax (item 96)			C		
Deduct:					
Aggregate investment income (amount from line 440 of page 6)			D		
Amount C minus amount D (if negative, enter "0")			▶		E
Amount A, B, or E above, whichever is less					F
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	G		
Amount QQ from Part 13 of Schedule 27			H		
Taxable resource income from line 435 on page 5			I		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			J		
Amount on line 400, 405, 410 or 425, whichever is less			K		
Total of amounts G, H, I, J, and K			▶		L
Amount F minus amount L (if negative, enter "0")					M
Accelerated tax reduction - 7% of amount M					N

(Enter amount N on line 637 of page 7)

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction (item 100)

Taxable resource income **435** A

Amount A _____ x Number of days in the taxation year in 2003 / Number of days in the taxation year = 365 / 365 x 1% = B

Amount A _____ x Number of days in the taxation year in 2004 / Number of days in the taxation year = _____ / 365 x 2% = C

Resource deduction - amount B plus amount C **438** D

(enter amount D on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations (item 101)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 page 3 A

Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 = B

Amount QQ from Part 13 of Schedule 27 C

Taxable resource income from line 435 above D

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) E

Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less F

Aggregate investment income from line 440 of page 6 G

Amount used to calculate the accelerated tax reduction (amount M of page 4) H

Total of amounts B, C, D, E, F, G, and H ▶ I

Amount A minus amount I (if negative, enter "0") J

Amount J _____ x Number of days in the taxation year in 2001 / Number of days in the taxation year = _____ / 365 x 1% = K

Amount J _____ x Number of days in the taxation year in 2002 / Number of days in the taxation year = _____ / 365 x 3% = L

Amount J _____ x Number of days in the taxation year in 2003 / Number of days in the taxation year = 365 / 365 x 5% = M

Amount J _____ x Number of days in the taxation year after 2003 / Number of days in the taxation year = _____ / 365 x 7% = N

General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N O

(enter amount O on line 638 of page 7)

General tax reduction (item 102)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 on page 3 A

Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 = B

Amount QQ from Part 13 of Schedule 27 C

Taxable resource income from line 435 above D

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) E

Total of amounts B, C, D and E ▶ F

Amount A minus amount F (if negative, enter "0") G

Amount G _____ x Number of days in the taxation year in 2001 / Number of days in the taxation year = _____ x 1% = H

Amount G _____ x Number of days in the taxation year in 2002 / Number of days in the taxation year = _____ x 3% = I

Amount G _____ x Number of days in the taxation year in 2003 / Number of days in the taxation year = _____ x 5% = J

Amount G _____ x Number of days in the taxation year after 2003 / Number of days in the taxation year = _____ x 7% = K

General tax reduction - total of amounts H, I, J and K L

(enter amount L on line 639 of page 7)

Refundable portion of Part I tax (item 103)

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income **440** X 26 2/3 % = A
(Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

Foreign investment income **445** X 9 1/3 % =
(Amount O from Part 1 of Schedule 7) (if negative, enter "0") B

Amount A **minus** amount B (if negative, enter "0") C

Taxable income from line 360 on page 3

Deduct:

Least of amounts on lines 400, 405, 410, and 425 on page 4

Foreign non-business income tax credit from line 632 on page 7 x 25/9 =

Foreign business income tax credit from line 636 on page 7 x 3 =

X 26 2/3% = D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)

Deduct corporate surtax from line 600 on page 7

Net amount E

Refundable portion of Part I tax - the least of amounts C, D, and E **450** 0 F

Refundable dividend tax on hand (item 104)

Refundable dividend tax on hand at the end of the preceding tax year **460**

Deduct dividend refund for the previous taxation year **465** A

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from line 360 on page 2 of Schedule 3

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480** B

Refundable dividend tax on hand at the end of the taxation year - amount A plus amount B **485** 0

Dividend refund (item 105)

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 X 1/3 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above B

Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8) 0

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106) **550** 0 A

Corporate surtax calculation (item 107)

Base amount from line A above 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 2

Investment corporation deduction from line 620 below 3

Federal logging tax credit from line 640 below 4

Federal qualifying environment trust tax credit from line 648 below 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b and c below on line 6:

28% of taxable income from line 360 on page 3 a

28% of taxed capital gains b 6

Part I tax otherwise payable (line A **plus** line C and D **minus** line F) c

Total of lines 2 to 6 7

Net amount (line 1 minus line 7) 8

Corporate surtax - 4% of the amount on line 8 **600** B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108) **602** C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6 i

Taxable income from line 360 on page 3

Deduct:

The least of amounts on lines 400, 405, 410, and 425 on page 4

Net amount ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii **604** D

Subtotal (add lines A, B, C, and D) E

Deduct:

Small business deduction from line 430 on page 4 9

Federal tax abatement (item 110) **608**

Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111) **616**

Investment corporation deduction (item 112) **620**

(Taxed capital gains **624**)

Additional deduction - credit unions from Schedule 17 (item 113) **628**

Federal foreign non-business income tax credit from Schedule 21 (item 114) **632**

Federal foreign business income tax credit from Schedule 21 (item 115) **636**

Accelerated tax reduction from amount N of page 4 (item 116) **637**

Resource deduction from line 438 of page 5 10

General tax reduction for CCPC's from amount O of page 5 (item 117) **638**

General tax reduction from amount L of page 5 (item 117) **639**

Federal logging tax credit from Schedule 21 (item 118) **640**

Federal political contribution tax credit (item 119) **644**

Federal political contributions **646**

Federal qualifying environmental trust tax credit (item 120) **648**

Investment tax credit from Schedule 31 (item 121) **652**

Subtotal F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122) 0 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7 (item 123)	700	
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		0

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132) 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765	
Total tax payable	770	0 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148)	780	
Dividend refund from Page 4 (items 149)	784	
Federal capital gains refund from Schedule 18 (item 150)	788	
Federal qualifying environmental trust tax credit refund (item 151)	792	
Canadian film or video production tax credit refund from Form T1131 (item 152)	796	
Film or video production services tax credit refund from Form T1177 (item 153)	797	
Tax withheld at source (item 154)	800	
Total payments on which tax has been withheld (item 154)	801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804	
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808	
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order (item 158)	816	
Tax instalments paid (item 159)	840	
Total credits	890	B

Refund Code (item 160) 894 ☐ Overpayment (item 163) ____ Balance (line A minus line B) 0 I

Direct Deposit Request (item 164)

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid (item 163) ____

Enclosed payment (item 162) 898 ____

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 161) 896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

950 LEDUC (Surname) 951 NICOLE (First name) 954 Manager (Position, office or rank)

955 2011/09/14 (Date) 956 (705) 372-2815 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 ____ (Name) 959 ( ) - (Telephone number)

Language of correspondence - Langue de correspondance (item 166)

990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES — Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements			**A**	
Add:				
Amortization of tangible assets	**104**	167,996		
Total of fields 201 to 294	**199**	5,371		
Total of fields 101 to 199	**500**	173,367	▶	173,367
Deduct:				
Capital cost allowance - Schedule 8	**403**	180,174		
Cumulative eligible capital deduction - Schedule 10	**405**	1,330		
Total of fields 401 to 499	**510**	181,504	▶	181,504
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)				(8,137)

Add:

Other additions:

602 Statement of partnership interest T5013 - net business incom			**292**	5,371
Total of fields 201 to 294 (Enter this amount at line 199)				5,371

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NON-CAPITAL LOSS CONTINUITY AND CARRY BACK — Schedule 4

Part 1 - Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31					8,137		8,137
Totals					8,137		8,137

Current year non-capital loss

Net income (loss) for income tax purposes		(8,137)
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
Subtotal - if positive, enter "0"		(8,137)
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		(8,137)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year				
Losses expired after 7 years	100	-		
Non-capital losses - beginning balance	102	=		
Transfers from wind-up of wholly-owned subsidiary and amalgamation			105	+
Current year non-capital loss from above	110	8,137		
Deduct - Non-capital loss carry back to:				
1st preceding taxation year against taxable income	901			
2nd preceding taxation year against taxable income	902			
3rd preceding taxation year against taxable income	903			
1st preceding taxation year against taxable dividends subject to Part IV tax	911			
2nd preceding taxation year against taxable dividends subject to Part IV tax	912			
3rd preceding taxation year against taxable dividends subject to Part IV tax	913			
Current year non-capital loss net of carryback		8,137	+	8,137
		Subtotal	=	8,137
Deduct:				
Amount applied against taxable income (enter on line 331 of T2 return)	130			
Amount applied against dividends subject to Part IV tax	135			
Section 80 adjustments	140			
Other adjustments	150			
			-	
Non-capital losses - ending balance			180 =	8,137

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 ☐ Yes

Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year

Losses expired after 10 years **300** -

Farm losses - beginning balance **302** =

Transfers from wind-up of wholly-owned subsidiary and amalgamation **305** +

Current year farm loss **310**

Deduct - Farm loss carry back to:

1st preceding taxation year against taxable income **921**

2nd preceding taxation year against taxable income **922**

3rd preceding taxation year against taxable income **923**

1st preceding taxation year against taxable dividends subject to Part IV tax **931**

2nd preceding taxation year against taxable dividends subject to Part IV tax **932**

3rd preceding taxation year against taxable dividends subject to Part IV tax **933**

Subtotal

Current year farm loss net of carry-back +

Subtotal =

Deduct:

Amount applied against taxable income (enter on line 334 of T2 return) **330**

Amount applied against dividends subject to Part IV tax **335**

Section 80 adjustments **340**

Other adjustments **350**

-

Farm losses - ending balance **380** =

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Current year restricted farm loss

Net loss from farming business			485
Deductible farm loss:			
Net loss from above	A		
$2,500 plus 1/2 (A - $2,500)	B	2,500	
Maximum deduction	C	8,750	
Deductible farm loss (lesser of A, B, and C)			-
Current year restricted farm loss			

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year			
Losses expired after 10 years	400	-	
Restricted farm losses - beginning balance	402	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			405 +
Current year restricted farm loss (enter on line 233 of Schedule 1)	410		
Deduct - Restricted farm loss carry back to:			
1st preceding taxation year against farming income	941		
2nd preceding taxation year against farming income	942		
3rd preceding taxation year against farming income	943		
Current year restricted farm loss net of carry-back			+
Deduct:			
Amount applied against taxable income (enter on line 333 of T2 return)	430		
Section 80 adjustments	440		
Other adjustments	450		
			-
Restricted farm losses - ending balance			480 =

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CAPITAL LOSS CONTINUITY AND CARRY BACK — Schedule 4

Part 1 - Capital loss

Capital loss continuity and carry-back request

Actual capital losses at end of preceding taxation year	200		
Transfers from wind-up of wholly-owned subsidiary and amalgamation	205		
Current year capital loss	210		
		Subtotal	
Allowable business investment loss expired as a non-capital loss	X 4/3	220	
		Subtotal	

Deduct:

Amount applied against current year capital gain **(see note 1)**	225		
Section 80 adjustments	240		
Other adjustments	250		
		Subtotal	

Deduct - capital loss carry back to: **(see note 2)**

	Net loss applied		Inclusion rate			Actual
1st preceding taxation year		÷	50.0000 %	=	951	
2nd preceding taxation year		÷	50.0000 %	=	952	
3rd preceding taxation year		÷	%	=	953	
			Subtotal			

Capital losses - ending balance	280	

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 2 - Listed personal property loss

Year of origin	Balance at end of prior year	Adjustments	Applied	Current year loss net of carry-back	Ending balance
		Expired			
2000/12/31					
2001/12/31					
2002/12/31					
2003/12/31					
Totals					

Listed personal property loss continuity and carry-back request

Listed personal property losses at end of preceding taxation year			
Deduct: Listed personal property losses expired after seven taxation years	500		
Listed personal property losses - beginning of taxation year	502		
Current year listed personal property loss (from Schedule 6)	510		

Deduct - Listed personal property loss carry back to:

1st preceding taxation year	961		
2nd preceding taxation year	962		
3rd preceding taxation year	963		
Listed personal property losses net of carry-back			+
		Subtotal	=

Deduct:

Amount applied against listed personal property gain (enter on line 655 of Schedule 6)	530	-
Other adjustments	550	-
Listed personal property losses - closing balance	580	=

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LIMITED PARTNERSHIP LOSSES

Schedule 4

Current year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier **600**	Fiscal period ending **602**	Corporation's share of limited partnership loss **604**	Corporation's at risk amount **606**	Corp's share of partnership ITC, farming losses and resource expenses **608**	Column 4 - 5 if negative, enter "0"	Current year limited partnership losses Column 3 - 6 **620**
					Total (enter this amount on Schedule 1)	

Limited partnership losses from prior taxation years that may applied in the current year

1	2	3	4	5	6	7
Partnership identifier **630**	Fiscal period ending **632**	Limited partnership losses at end of preceding taxation year **634**	Corporation's at risk amount **636**	Corp's share of partnership ITC, business/property losses & resource expenses **638**	Column 4 - 5 if negative, enter "0"	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6 **650**

Continuity of limited partnership losses that can be carried forward to future taxation years

Partnership identifier **660**	Losses at end of preceding taxation year **662**	Losses transferred from amalgamation or wind-up of subsidiary **664**	Current year limited partnership loss (from column 620) **670**	Limited partnership losses applied (cannot exceed 650) **675**	Limited partnership losses closing balance **680**
				Total (enter this amount on line 335 of the T2 return)	

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CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☐

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	132,535					132,535	4	5,301			127,234
2	1,036,444	6,733			3,367	1,039,810	6	62,389			980,788
8	218	8,963		1,090	3,937	4,154	20	831			7,260
10	30,242	5,469			2,735	32,976	30	9,893			25,818
8	41,140					41,140	20	8,228			32,912
10	108,380					108,380	30	32,514			75,866
36	7,600					7,600					7,600
12	43,182	35,672			17,836	61,018	100	61,018			17,836
Totals	1,399,741	56,837		1,090	27,875	1,427,613		180,174			1,275,314

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION — Schedule 10

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)				200 19,002	A
Add:					
Cost of eligible capital property acquired during the taxation year	222		B		
Transfer from predecessor or subsidiary corporation	224		C		
Other adjustments	226		D		
(add amounts B, C, and D)			x 3/4 =		E
Subtotal (amount A **plus** amount E)				230 19,002	F
Deduct:					
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H		
Other adjustments	246		I		
(add amounts G, H, and I)			x 3/4 =	248	J
Cumulative eligible capital balance (amount F **minus** amount J)				19,002	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)					
Current year deduction amount K		19,002	x 7% =	250 1,330	L
(Deduct amount L on line 405 of Schedule 1)					
Cumulative eligible capital balance at the end of the taxation year				300 17,672	M

Note: The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if line K is negative)

Amount from line K above (show as a positive amount)					N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	400		1		
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	401		2		
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	402		3		
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	408		4		
Line 3 **minus** line 4			5		
Total of lines 1, 2, and 5			6		
Line T from schedule 10 of previous taxation years ending after February 27, 2000	409		7		
Line 6 **minus** line 7					O
Line N **minus** line O (cannot be negative)					P
Amount on line 5 X 1/2					Q
Line P **minus** line Q					R
Amount on line R X 66.6667 *					S
Lessor of line N or line O					T
Amount to be included in income on line 108 of schedule 1, line S **plus** line T				410	

* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

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AGREEMENT AMONG ASSOCIATED CCPCs TO ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)

Schedule 23

Allocation of the business limit

Date filed (for departmental use only) **025**

Enter the calendar year to which the agreement applies **050** 2003

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** ☐ 1 Yes ☒ 2 No

	1 Names of associated corporations **100**	2 Business Number **200**	3 Association code **300**
1	HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBU	89053 4811 RC 0001	1
2	HEARST POWER SALES AND SERVICES COMPANY LIMITED	86368 9998 RC 0001	1
		RC	0

Allocate business limit using: ☒ % ☐ $

	Taxation year Start	Taxation year End	4 Business limit for the year (before allocation) $	Allocating business limit 5 Percentage of the business limit (%) **350**	6 Allocation of business limit * $ **400**	Provincial allocation for Alberta and Ontario (based on $200,000)	7 Year end to which this agreement applies if more than one taxation year end in a calendar year **500**
1	2003/01/01	2003/12/31	225,000	100.000	225,000	200,000	
2	2003/01/01	2003/12/31	225,000				
TOTALS				100.000	A 225,000	200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 225,000

	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part I.3 tax for business limit reduction	Grossed-up reduced business limit
1	29,534	29,534			225,000
2					
TOTALS	29,534	29,534			225,000

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder **100**	Business Number * **200**	Social Insurance Number * **300**	Percentage common shares **400**	Percentage preferred shares **500**
The Corporation of the Town of Hearst	10812 7051 RC 0001		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

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BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Amount
Cash and deposits	**1000**	3,085,222
Accounts Receivable	1060	1,619,076
Inventories	1120	118,956
Taxes recoverable / refundable	1483	31,500
Prepaid expenses	1484	13,171
Land	1600	10,032
Buildings	1680	185,770
Machinery, equipment, furniture and fixtures	1740	410,314
Motor vehicles	1742	441,136
Computer equipment / software	1774	126,970
Goodwill	2012	88,673
Long term investments	2300	24,000
Total assets	**2599**	6,154,820

Liabilities	Code	Amount
Bank overdraft	**2600**	
Amounts payable and accrued liabilities	2620	1,710,830
Long term debt	3140	1,700,000
Total liabilities	**3499**	3,410,830

Equity	Code	Amount
Common shares	**3500**	10,000
Retained earnings / deficit	**3600**	2,733,990
Total equity	**3620**	2,743,990
Total liabilities and equity	**3640**	6,154,820

Retained earnings	Code	Amount
Retained earnings/deficit-start	**3660**	2,733,990
Net income / loss	**3680**	
Total retained earnings	**3849**	2,733,990

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INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Amount
Trade sales of goods and services	**8000**	7,843,172
Total sales of goods and services	**8089**	7,843,172
Investment revenue	8090	97,991
Other revenue	8230	58,385
Total revenue	**8299**	7,999,548

Cost of sales	Code	Amount
Opening inventory	**8300**	
Purchases / cost of materials	8320	7,310,843
Cost of sales	**8518**	7,310,843
Gross profit / loss (item 8089 - item 8518)	**8519**	532,329

Operating expenses	Code	Amount
Advertising and promotion	8520	440
Meals and entertainment	8523	940
Employee benefits	8620	36,932
Amortization of tangible assets	8670	167,996
Interest and bank charges	8710	14,244
Interest on long term debt	8714	37,495
Office expenses	8810	14,710
Rental	8910	4,342
Repairs and maintenance	8960	113,975
Salaries and wages	9060	122,647
Sub-contracts	9110	30,037
Supplies	9130	121,421
Other expenses	9270	23,526
Total operating expenses	**9367**	688,705
Total expenses	**9368**	7,999,548
Net non-farming income	**9369**	

Farming revenue	Code	Amount
Grains and oilseeds	**9370**	
Total farm revenue	**9659**	

Farming expenses	Code	Amount
Crop expenses	**9660**	
Total farm expenses	**9898**	
Net farm income	**9899**	
Net income / loss before taxes and extraordinary items	**9970**	

Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	**9975**	-
Legal settlements	**9976**	-
Unrealized gains / losses	**9980**	+
Unusual items	**9985**	-
Current income taxes	**9990**	-
Deferred income tax provision	**9995**	-
Net income / loss after taxes and extraordinary items	**9999**	=

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NOTES CHECKLIST

Schedule 141

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are that not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the *Guide to the General Index of Financial Information (GIFI) for Corporations* and the *T2 Corporation – Income Tax Guide*.
- For the purposes of this schedule, the person who reported on or prepared the financial statements of the corporation is referred to as the "accounting practitioner".

Part 1 – Accounting practitioner information

Choose only one of the following three options, whichever applies to the accounting practitioner: **096**

Chartered accountant	1	☐
Other professional designation	2	☐
No professional designation	3	☐

Is the accounting practitioner connected* with the corporation? **097** ☐ Yes ☐ No

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: **098**

Completed an auditor's report	1	☐
Completed a review engagement report	2	☐
Compiled the financial statements along with reviewing the books	3	☐
Conducted a compilation engagement	4	☐

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? **099** ☐ Yes ☐ No

Part 4 – Other information

Were notes to the financial statements prepared? **101** ☒ Yes ☐ No

If you answered *Yes* to the question at line 101, complete lines 102 to 107 below:

Are any values presented at other than cost? **102**	☐ Yes	☒ No
Has there been a change in accounting policies since the last return? **103**	☐ Yes	☒ No
Are subsequent events mentioned in the notes? **104**	☐ Yes	☒ No
Is re-evaluation of asset information mentioned in the notes? **105**	☐ Yes	☒ No
Is contingent liability mentioned in the notes? **106**	☐ Yes	☒ No
Is information regarding commitments mentioned in the notes? **107**	☐ Yes	☒ No

Does the corporation have investments in joint venture(s) or partnership(s)? **108** ☐ Yes ☒ No

If you answered *Yes* to the question at line 108, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? **109** ☐ Yes ☒ No

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BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 – Consent to release of information to a representative

Client's name: HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION D Business Number: 890534811

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Collins Barrow

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

(705) 362-4261 — Representative's telephone number

(705) 362-4641 — Representative's fax number

Part 2 – Details of consent

A. Which accounts?

I request that this consent apply to all accounts. [X] OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 [ ]	RC	RC
GST/HST	RT0001 [ ]	RT	RT
Payroll deductions	RP0001 [ ]	RP	RP
Import/Export	RM0001 [ ]	RM	RM

B. Which years?

I request that this consent apply to all years. [X] OR

I request that this consent apply only to the following years:

1. All year-ends up to:
2. All year-ends beginning in: and all years after that.
3. The following year-ends only:

BUSINESS CONSENT FORM

Part 3 – Cancellation of consent to release of information to a representative

Client's name: HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION D Business Number: 890534811

I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

( ) - Representative's telephone number

( ) - Representative's fax number

Part 4 – Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 ☐	RC	RC
GST/HST	RT0001 ☐	RT	RT
Payroll deductions	RP0001 ☐	RP	RP
Import/Export	RM0001 ☐	RM	RM

B. Which years?

I request that this consent apply to all years. ☐ OR

I request that this consent apply only to the following years:

1. All year-ends up to:
2. All year-ends beginning in: and all years after that.
3. The following year-ends only:

Part 5 – Signature

Print your name NICOLE LEDUC Title Manager

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here ▶ Date 2011/09/14

TaxPaid

Tax instalments paid

Jurisdiction	Description	Date	Amount
Ontario	instalments		31,500
Federal			
		Total	31,500

* Enter Québec instalments paid on form CO-1027.VE

Summary by jurisdiction

Federal		Manitoba	
British Columbia		Ontario	31,500
Alberta			
Saskatchewan			

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INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY

- You have to complete this return to allow your transmitter to electronically file your corporation income tax return to us at the Canada Customs and Revenue Agency. You have to complete this return for each taxation year.
- By completing part B and signing part C, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part D must be completed by either you or the preparer of your corporation income tax return.
- You have to give the signed original of this return to the transmitter and keep a copy for yourself.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

Part A – Identification

Name of corporation			
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST			
Business Number	Taxation year: ▶	From	To
89053 4811 RC 0001		2003/01/01	2003/12/31

Part B – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the taxation year noted above :

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (line 300)	(8,137)
Part I tax payable (line 700)	
Part I.3 tax payable (line 704)	
Part II surtax payable (line 708)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	
Provincial tax on large corporations (line 765)	

Part C – Certification and authorization

I certify that the amounts in Part B above are correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return.

I authorize the transmitter identified in Part D to electronically file the corporation income tax return identified in Part A. The transmitter can also modify the information originally filed in response to any errors Canada Customs and Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

Signature of an authorized signing officer of the corporation	Date
	2011/09/14

Part D – Transmitter identification

The following person or firm has electronically filed the tax return of the corporation identified in Part A.

Name of person	COLLINS BARROW	Street address	1021 George street P.O.Box 637
Name of firm	Collins Barrow	P.O. Box, RR	
		City	Hearst
		Province	Ontario
		Postal code	P0L 1N0

This return is for your records. Do not send it to us unless we ask for it.

Summary

Tax Summary

Tax year ending 2003/12/31

Taxable income

Net income for tax purposes		(8,137)
Charitable donations and gifts	-	
Taxable dividends	-	
Losses of prior years	-	
Other adjustments	±	
Taxable income	=	

Part I tax

38% of taxable income		
Surtax	+	
Refundable tax on CCPC investment income	+	
Active business income		
Small business deduction	-	
Federal tax abatement	-	
Manufacturing and processing deduction	-	
Foreign tax credits	-	
Political contribution tax credit	-	
Investment tax credit	-	
Other deductions and credits	-	
Part I tax	=	

Tax payable

Part I tax		
Part I.3 tax (large corporations tax)	+	
Taxable dividends received		
Part IV tax	+	
Other federal tax payable	+	
Subtotal	=	
Provincial and territorial tax (except QC,ON,AB)	+	
Provincial tax on large corporations (NB,NS)	+	
Tax payable	+	
Tax instalments paid	-	
Investment tax credit refund	-	
Taxable dividends paid		
Dividend refund	-	
Other refundable credits	-	
Balance owing (refund) on federal return	=	
Provincial income tax (ON,AB,QC)		
Capital and other provincial taxes	+	
Tax instalments and credits	-	31,500
Other provincial taxes	=	(31,500)
Total balance owing (refund)		(31,500)

Provincial tax

	Taxable income	Income tax	Capital and other provincial taxes	Tax instalments and credits	Net provincial tax
Newfoundland					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Schedule 5 provincial tax payable					
Ontario	(8,137)			31,500	(31,500)
Alberta					
Québec					
Totals				31,500	(31,500)

Loss carryforwards

Capital	
Non-capital	8,137
Farm	
Restricted farm	
Limited partnership	
Listed personal property	

Other carryforwards

Capital dividend account	
Refundable dividend tax on hand (net of dividend refund)	
Unused Part 1.3 tax credit	
Unused surtax credits	623
Foreign business tax credits	
Donations and gifts	
Investment tax credits	

5Year

5 Year Tax Summary

Years Ending:	2003/12/31	2002/12/31	2001/12/31	2000/12/31	
Taxable income					
Net Income for tax purposes	(8,137)	29,534	55,660	(35,355)	
Charitable donations and gifts	-	-	-	-	-
Taxable dividends	-	-	-	-	-
Losses of other years	-	-	-	-	-
Other adjustments	±	±	±	±	±
Taxable income	=	= 29,534	= 55,660	=	=
Active business income		29,534	55,660		
Part I tax					
38% of taxable income			21,151		
Surtax	+	+	+ 623	+	+
Refundable tax on CCPC investment income	+	+	+	+	+
Small business deduction	-	-	- 8,066	-	-
Federal tax abatement	-	-	- 5,566	-	-
Manufacturing and processing deduction	-	-	-	-	-
Foreign tax credits	-	-	-	-	-
Political contribution tax credit	-	-	-	-	-
Investment tax credit	-	-	-	-	-
Other deductions and credits	-	-	- 367	-	-
Part I tax	=	=	= 7,775	=	=
Tax payable					
Part I tax			7,775		
Part I.3 tax	+	+	+	+	+
Part IV tax	+	+	+	+	+
Other federal tax payable	+	+	+	+	+
Subtotal	=	=	= 7,775	=	=
Provincial and territorial tax (except QC,ON,AB)	+	+	+	+	+
Provincial tax on large corporations (NB,NS)	+	+	+	+	+
Tax payable	=	=	= 7,775	=	=
Tax instalments made	-	-	-	-	-
Investment tax credit refund	-	-	-	-	-
Dividend refund	-	-	-	-	-
Other refundable credits	-	-	-	-	-
Balance owing (refund)	=	=	= 7,775	=	=
Provincial income tax (ON,AB,QC)			3,340		
Capital and other provincial taxes	+	+	+	+	+
Tax instalments and credits	- 31,500	- 42,000	- 10,500	-	-
Other provincial taxes	= (31,500)	= (42,000)	= (7,160)	=	=
Total taxes owing (refund)	(31,500)	(42,000)	615		

T2 EDI EFILE#1003		This return has prevent filing audit messages (shown in red in the active auditor). To clear this error, address or sign-off these messages.
Warning	S125#1	Net income / loss after taxes is Nil. Please verify.
Notice	Info	The CRA is changing the URL to the transmission site for Corporate Internet Filing on December 30th, 2005. The default settings in this version of ProFile T2 will transmit to the existing CRA site and will be functional until December 30, 2005. Visit the ProFile menu under Online > Update Information > News/Alerts to review the steps to transmit returns with this version of ProFile T2 after December 30, 2005.
Notice	Info	The preparer information on this return does not match the information in Options|Environment. To update the preparer information on this return, open the Info form, right click, and select "Update preparer information".
Notice	OEfile	This return must be filed on disk as corporation is subject to CMT.
Override	S8Supp	Amortization per financial statements (ProFile: 167,996)
Memo	CDA	Net non-taxable ECP gain eligible for CDA: "In the previous ProFile release, the amounts in the Prior Year column of the CDA summary for the 31/12/2003 taxation year data were: ECP amounts of 0 for 1/4 of net proceeds, 0 for proceeds not included in income, 6,368 for 1/4 of expenditures and 0 for other adjustments. These values may not be correct. Review the prior year returns and enter the correct prior year net ECP amount eligible for CDA in the CDA details continuity schedule (CDASupp)."

Net non-taxable ECP gain eligible for CDA

In the previous ProFile release, the amounts in the Prior Year column of the CDA summary for the 31/12/2003 taxation year data were: ECP amounts of 0 for 1/4 of net proceeds, 0 for proceeds not included in income, 6,368 for 1/4 of expenditures and 0 for other adjustments. These values may not be correct. Review the prior year returns and enter the correct prior year net ECP amount eligible for CDA in the CDA details continuity schedule (CDASupp).

September 14, 2011

CBMN FINANCIAL SERVICES INC
COLLINS BARROW
1021 George street
Hearst, Ontario
P0L 1N0

MS. LEDUC
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST
Alexandra Street
Hearst, ON
P0L 1N0

Dear MS. LEDUC:

We have transmitted your return electronically to the Canada Customs and Revenue Agency (CCRA) using Corporation Internet Filing. The enclosed copy of the T2 return is for your records. We have prepared this return based on the information you provided to us.

The T2 return shows no balance owing and no refund.

The CT23 Tax Return is being filed on disk. In addition to the disk, please submit the following to the Ontario Ministry of Finance:

Signed copy of CT23 Certification Form - Diskette Filing
Financial Statements
Consent Form

The CT23 return shows a refund of $31,500.

If you have any questions about your return(s), please contact me at 705-362-4261.

Sincerely yours,

COLLINS BARROW

CBMN FINANCIAL SERVICES INC

Enclosure

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2004/ 2005

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2002

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Consumer and Business Services (MCBS) **Annual Return.** Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No **Page 1 of 20**

Ministry Use

Corporation's Legal Name *(including punctuation)*
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQU

Ontario Corporations Tax Account No. (MOF)
7334207

Mailing address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

This Return covers the Taxation Year
Start 2003/01/01
End 2003/12/31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of change: year month day

Date of Incorporation or Amalgamation
2000/11/02

Registered/Head Office Address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Ontario Corporation No. (MCBS) 7334207

Location of Books and Records
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Canada Customs and Revenue Agency Business No.
890534811RC0001

Name of person to contact regarding this CT23 Return: NICOLE LEDUC
Telephone No.: (705) 372-2815
Fax No.: ( ) -

Jurisdiction Incorporated: ONTARIO

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)

City	Province	Country	Postal code

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced
Ceased
☒ *Not Applicable*

Former Corporation Name (*Extra-Provincial Corporations only*) ☐ *Not Applicable* (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s): 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check 1 this box. Schedule(s) A and K are not required (MCBS). ▶ ☐ **No Change**

Preferred Language / *Langue de préférence*
☒ English *anglais* ☐ French *français*

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person
NICOLE LEDUC

Title: **D** ☐ Director **O** ☐ Officer **P** ☐ Other individual having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

This EFF Declaration must be filed for each taxation year that the corporation is exempt from filing and must be filed within 6 months after the corporation's taxation year end.

Criteria for exempt from filing status:

a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
b) had no Ontario taxable income for the taxation year (subject to the provisions in Note 2 below);
c) had no Ontario Corporations Tax payable for the taxation year;
d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act* (Canada));
e) has provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
f) is **not** subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed $5 million or whose total revenues exceed $10 million for the taxation year).

Note 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

Note 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

- If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
- If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
- If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items MUST be completed for EFF declarations only. In cases where the Annual Return, which includes page 1, is **also** being filed, completion of these fields is **not** required.

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation No. (MCBS)

3. Canada Customs and Revenue Agency Business No.
RC

I, _____ declare that:

The above corporation meets **all** of the exempt from filing criteria (a) through (f) above for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Signature	Title/Relationship to Corporation	Telephone number ( ) -	Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		
X		(a)	The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents (nearest whole percentage) 100 %
X		(b)	The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (*Refer to Guide)*
	X	(c)	The corporation is **not** a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
	X	(d)	The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution; or The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each $3,000,000 or less and the corporation is not a financial institution.
X		(e)	The corporation is **not** claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC), Graduate Transitions Tax Credit (GTTC) or Apprenticeship Training Tax Credit (ATTC).
X		(f)	The corporation's Ontario allocation factor is 100%.

Note: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are **not** subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to a), b), c), e) and f) above.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation - Please check (1) box(es) if applicable in sections 1 & 2

1

- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (*specify*)

Share Capital with full voting rights owned by Canadian Residents. (nearest %) 100 %

2

- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp s.47
- 4 [ ] Credit Union s.51
- 5 [ ] Bank Mortgage Subsidiary s.61(4)
- 6 [ ] Bank s.1(2)
- 7 [ ] Loan and Trust Corporation s.61(4)
- 8 [ ] Non-resident Corp s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corporation s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-resident s.63(1)
- 16 [ ] Financial institution prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity
electrical utility

Please check (1) box(es) if applicable:

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- [ ] Final Taxation Year up to Dissolution (wind-up) (*Note: For discontinued businesses, see Guide*.)
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s.249(4)

Date control was acquired: _____

Was the corporation inactive throughout the taxation year?		Yes [ ]	No [X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?		Yes [X]	No [ ]
Are you requesting a refund due to:	the Carry-back of a Loss?	Yes [ ]	No [X]
	an Overpayment?	Yes [X]	No [ ]
	a Specified Refundable Tax Credit?	Yes [ ]	No [X]
Are you a Member of a Partnership or a Joint Venture?		Yes [ ]	No [X]

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From **690**	±	(8,137)
Subtract: Charitable donations	**1**	-	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	**2**	-	
Subtract: Taxable dividends deductible, per federal Schedule 3	**3**	-	
Subtract: Ontario political contributions *(Attach schedule* 2A) (Int.B. 3002R)	**4**	-	
Subtract: Federal Part VI.1 tax X 3	**5**	-	
Subtract: Prior years' losses applied - Non-capital losses	From **704**	-	
From **715** Net capital losses (page 16) X inclusion rate 50.000000 % =	**714**	-	
Farm losses	From **724**	-	
Restricted farm losses	From **734**	-	
Limited partnership losses	From **754**	-	
Taxable income (Non-capital loss)	**10**	=	(8,137)
Addition to taxable income for unused foreign tax deduction for federal purposes	**11**	+	
Adjusted taxable income 10 + **11** (if **10** is negative, enter **11**)	**20**	=	

Taxable Income

Number of days in Taxation Year

				Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days				
From **10** (or **20**)	X **30** 100.0000 Ontario Allocation	% X 12.5 % X	**33** 365	÷	**73** 365	=	**29**	+		
			Days after Dec. 31, 2003		Total Days					
From **10** (or **20**)	X **30** 100.0000 Ontario Allocation	% X 14.0 % X	**34**	÷	**73** 365	=	**32**	+		

Income Tax Payable (before deduction of tax credits) **29** + **32** — **40** =

Incentive Deduction for Small Business Corporations (IDSBC)(s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (1) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		**50**	
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	**51** +		
Add: Losses of other years deducted for federal purposes (fed.s.111)	**52** +		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	**53** -		
	=	**54**	
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	**55** + 225,000		

Ontario Business Limit Calculation

	Days after Dec. 31, 2002 and before Jan. 1, 2004						
320,000 X	**31** 365	÷ ** 365	=+ **46** 320,000				
	Days after Dec. 31, 2003						
400,000 X	**34**	÷ ** 365	=+ **47**				

Business limit for Ontario purposes **46** + **47**	= **44** 320,000	X	**48** 100.0000 % =	**45** 320,000	Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated		
Income eligible for the IDSBC	From **30** 100.0000 % X ***Ontario Allocation		**56** Least of **50**, **54** or **45**			**60** =	

* ***Note***: *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note***: *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note***: *Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Number of Days in Taxation Year

			Days after Dec. 31, 2002 and before Jan. 1, 2004			Total Days				
Calculation of IDSBC Rate	7.0 % X	**31**	365	÷	**73**	365	=	**89**	+	7.0000
			Days after Dec. 31, 2003			Total Days				
	8.5 % X	**34**		÷	**73**	365	=	**90**	+	
IDSBC Rate for Taxation Year **89** + **90**								**78**	=	7.0000
Claim	From **60**			X From **78**		7.0000 %		**70**	=	

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

*** Taxable Income of the corporation** From **10** (or **20** if applicable) **80** +

If you are a member of an associated group (1) **81** X (Yes)

Taxable income of associated corporations *(Attach schedule)* **82** +

Aggregate Taxable Income **85** =

Number of days in Taxation Year

		Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days						
320,000 X	**31**	365	÷	**73**	365	=	**115**	+	320,000	
		Days after Dec. 31, 2003		Total Days						
400,000 X	**34**		÷	**73**	365	=	**116**	+		
				115 + **116**			=	320,000	**114**	- 320,000
(If negative, enter nil)									**86**	=

Number of Days in Taxation Year

				Days after Dec. 31, 2002		Total Days						
Calculation of Specified Rate for Surtax		4.667% X	**38**	365	÷	**73**	365	=	**97**	+	4.6670	
From **86**		X From **97**	4.6670	% =					**87**	=		
From **87**		X From **60**		÷ From **114**	320,000				**88**	=		

Surtax: Lesser of **70** or **88** **100** =

**** Note: Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)*

110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits		**120**	+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56**		-

Add: Adjustment for Surtax on Canadian-controlled private corporations

From **100** ÷ From **30** 100.0000 % ÷ From **78** 7.0000 % = **121**

*Ontario Allocation

Lesser of **56** or **121**		**122**	+
120 - **56** + **122**		**130**	=

Taxable income	From **10**	+	(8,137)
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56**	-	
Add: Adjustments for Surtax on Canadian-controlled private corporations	From **122**	+	
Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada	**140**	-	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	**141**	-	
10 - **56** + **122** - **140** - **141**	**142**	=	

Claim **Number of Days in Taxation Year**

143 X From **30** 100.0000 % X 1.5% X **33** 365 ÷ **73** 365 = **154** +
Lesser of **130** or **142** *Ontario Allocation Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days

143 X From **30** 100.0000 % X 2.0% X **34** ÷ **73** 365 = **156** +
Lesser of **130** or **142** *Ontario Allocation Days after Dec. 31, 2003 Total Days

M&P claim for taxation year **154** + **156** **160** =

****Note**: Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations

161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity

162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R) *(Attach schedule)* **170**

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit **175** Credit Claimed **180**

Subtotal of Income Tax **40** - **70** + **100** - **110** - **160** - **161** - **162** -**170** - **180**

190

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit from **5620** OITC Claim Form *(Attach original Claim Form)* **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit from **5798** CT23 Schedule 113 (*Attach Schedule 113*) **192** +

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production **204**
Eligible Credit from **5850** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From **6596** **194**
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.
Eligible Credit from **6598** CT23 Schedule 115 *(Attach Schedule 115)* **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form
*(Attach **both** the original Claim Form and the Certificate of Eligibility)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (*Attach the original Certificate of Eligibility*) **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit from **7300** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form
*(Attach **both** the original Claim Form and the Certificate of Eligibility)* **201** +

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From **5896** **202**
Applies to employment of eligible apprentices.
Eligible Credit from **5898** CT23 Schedule 114 (*Attach Schedule 114*) **203** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 **220** =

Specified Tax Credits *Applied to reduce Income Tax* **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** (*amount cannot be negative*) **230** =

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on **Page 17**.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8**.

Corporate Minimum Tax (CMT)

Total Assets of the corporation	**240**	+ 6,154,821		
Total Revenue of the corporation			**241**	+ 7,843,172

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (1) **242** [X] (Yes)

Total Assets of associated corporations *(Attach schedule)*	**243**	+		
Total Revenue of associated corporations *(Attach schedule)*			**244**	+
Aggregate Total Assets	**249**	= 6,154,821		
Aggregate Total Revenue			**250**	= 7,843,172

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101.**

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable - CMT Base From Schedule 101	**2136**	X	From **30** 100.0000 % X 4%	**276**	=		
	If negative, enter zero		Ontario Allocation				
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*				**277**	-		
Subtract: Income Tax				From **190**	-		
Net CMT Payable (if negative, enter Nil on page 17.)				**280**	=		

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from **Page 7** to **Income Tax Summary, on Page 17**.

If **280** is less than zero and you have a CMT credit carryover, complete A & B below.

If **280** is greater than or equal to zero, transfer **230** to **Page 17** and transfer **280** to **Page 17, and** to **Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101	From	**2333**	

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)			From	**190**	+	
	Gross CMT Payable	From	**276** +				
	Subtract: Foreign Tax Credit for CMT purposes	From	**277** -				
	If **276** - **277** is negative, enter NIL in **290**		= ▶		**290**	-	
	Income Tax eligible for CMT Credit				**300**	=	
B.	Income Tax (after deduction of specified credits)			From	**230**	+	
	Subtract: CMT credit used to reduce income taxes				**310**	-	
	Income Tax				**320**	=	

Transfer to Page 17

***If A & B apply,* 310 *cannot exceed the lesser of* 230, 300 *and your CMT credit carryover available* 2333.**

If only B applies,* 310 *cannot exceed the lesser of* 230 *and your CMT credit carryover available 2333.

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines **480** *and* **430** *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in **480** *and* **430** *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* **550** *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)		**350**	+
Retained earnings (if deficit, deduct) (Int.B. 3012R)		**351**	±
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)		**352**	+
Loans and advances *(Attach schedule)*(Int.B. 3013R)		**353**	+
Bank loans (Int.B. 3013R)		**354**	+
Bankers acceptances (Int.B. 3013R)		**355**	+
Bonds and debentures payable (Int.B. 3013R)		**356**	+
Mortgages payable (Int.B. 3013R)		**357**	+
Lien notes payable (Int.B. 3013R)		**358**	+
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)		**359**	+
Contingent, investment, inventory and similar reserves (Int.B. 3012R)		**360**	+
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)		**361**	+
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)		**362**	+
Subtotal		**370**	=
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)		**371**	-
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)		**372**	-
Total Paid-up Capital		**380**	=
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)		**381**	-
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation		**382**	-
Net Paid-up Capital		**390**	=

Eligible Investments *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	**402**	+
Mortgages due from other corporations	**403**	+
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	**404**	+
Loans and advances to unrelated corporations	**405**	+
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	**406**	+
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	**407**	+
Total Eligible Investments	**410**	=

continued on Page 10

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015R)

Total Assets per balance sheet	**420**	+	6,154,821
Mortgages or other liabilities deducted from assets	**421**	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	**422**	+	
Subtract: Investment in partnership(s)/joint venture(s)	**423**	-	
Total Assets as adjusted	**430**	=	6,154,821
Amounts in **360** and **361** (if deducted from assets)	**440**	+	
Subtract: Amounts in **371**, **372** and **381**	**441**	-	
Subtract: Appraisal surplus if booked	**442**	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	**443**	±	
Total Assets	**450**	=	6,154,821

Investment Allowance (**410** ÷ **450**) X **390** — **Not to exceed 410**	**460**	=	
Taxable Capital **390** - **460**	**470**	=	

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	7,843,172		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*			
Aggregate of Gross Revenue	7,843,172	**480**	7,843,172
Total Assets (as adjusted)	From	**430**	6,154,821

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.*

Financial Institutions use calculations on page 13.

Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in **550** on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

		Days before Jan. 1, 2005		Total Days				
5,000,000	X	**35** 365	÷	**73** 365	=	**500**	+	5,000,000
		Days after Dec. 31, 2004 and before Jan.1, 2006		Total Days				
7,500,000	X	**36**	÷	**73** 365	=	**501**	+	
		Days after Dec. 31, 2005 and before Jan.1, 2007		Total Days				
10,000,000	X	**37**	÷	**73** 365	=	**502**	+	
		Taxable Capital Deduction (TCD)		**500 + 501 + 502**		**503**	=	5,000,000

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership

C1. If **430** and **480** on page 10 are both $3,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

C2. If Taxable Capital in **470** is **equal to or less than the TCD** in **503**, enter NIL in **550** on page 12 and complete the return from that point.

C3. If Taxable Capital in **470 exceeds the TCD** in **503**, complete the following calculation and transfer the amount from **523** to **543** on page 12, and complete the return from that point.

+ From **470** _____

- From **503** _____

= **471** _____ x From **30** _____ x 0.3% x **555** _____ = **523** +

Ontario Allocation

Days in taxation year: 365 (366 if leap year) *If floating taxation year, refer to Guide.*

*Transfer to **543** on page 12 and complete the return from that point*

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either **509** or **524** and complete this section before you can calculate your Capital Tax calculation under either Section E or Section F.

D1. ☐ **509** (1 if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.
If Taxable Capital **470** on page 10 is equal to or less than the TCD **503** on page 10, enter NIL in **550** on page 12 and complete the return from that point.

If Taxable Capital **470** on page 10 exceeds the TCD **503** on page 10, proceed to **Section E**, enter the TCD amount in **542** in Section E, and complete Section E and the return from that point.

D2. ☒ **524** (1 if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital form **470** on page 10	From **470** +	

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**531** +	
Aggregate Taxable Capital **470 + 531**	**540** =	

If **540** above is equal to or less than the TCD **503** on page 10, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in **523** in section E on page 12, as applicable.
If **540** above is greater than the TCD **503** on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From **470** _____ ÷ From **540** _____ X From **503** _____ **541** =

*Transfer to **542** in Section E on page 12*

Ss.69(2.1) Election Filed

☐ **591** (1 if applicable)

Election filed. *Attach a copy of Schedule 591 with this CT23 Return*.
Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation **is** a member of an associated group and/or partnership whose total **aggregate** Taxable Capital **540** on page 11 exceeds the TCD **503** on page 10.

Complete the following calculation and transfer the amount from **523** to **543**, and complete the return from that point.

+ From **470** _____
\- **542** _____
= **471** _____ x From **30** _____ % x 0.3% x **555** _____ = **523** + _____ **Total Capital Tax for the taxation year**

Ontario Allocation — Days in the taxation year *365 (366 if leap year)

*Transfer to **543** and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

\+ From **470** _____ X From **30** _____ x 0.3% = **561** + _____

Ontario Allocation

\- Capital tax deduction from **995** relating to **your corporation's** Capital Tax deduction, on Schedule 591 From **995** - _____

562 = _____

Capital Tax _____ **562** _____ X **555** _____ = **563** + _____

Days in taxation year *365 (366 if leap year)

*Transfer to **543** and complete the return from that point*

* *If floating taxation year, refer to Guide*

Capital Tax before application of specified credits	**543**	=
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	**546**	-
Capital Tax **543 - 546** *(amount cannot be negative)*	**550**	=

Transfer to Page 17

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

1.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ (Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1) x 0.6% x From **30** _____ % (Ontario Allocation) x **555** _____ (Days in taxation year) ÷ *365 (366 if leap year) = **569** +

570 _____ (Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount) x **571** _____ (Capital Tax Rate *(Refer to Guide)*) x From **30** _____ % (Ontario Allocation) x **555** _____ (Days in taxation year) ÷ *365 (366 if leap year) = **574** +

Capital Tax for Financial Institutions - other than Credit Unions (before Section 2) 569 + 574 **575** =

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** -

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (1) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** =

*Transfer to **543** on Page 12*

Premium Tax (s.74.2 & 74.3) (*Refer to Guide*)

(1) Uninsured Benefits Arrangements **587** _____ x 2% **588** =
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* **589** -

Premium Tax 588 - 589 **590** =

Transfer to Page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1		**600** ±	(8,137)
			Transfer to Page 15

Add:

Federal capital cost allowance	**601**	+	180,174
Federal cumulative eligible capital deduction	**602**	+	1,330
Ontario taxable capital gain	**603**	+	
Federal non-allowable reserves. Balance beginning of year	**604**	+	
Federal allowable reserves. Balance end of year	**605**	+	
Ontario non-allowable reserves. Balance end of year	**606**	+	
Ontario allowable reserves. Balance beginning of year	**607**	+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	**608**	+	
Federal resource allowance *(Refer to Guide)*	**609**	+	
Federal depletion allowance	**610**	+	
Federal foreign exploration and development expenses	**611**	+	
Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	**617**	+	
Management fees, rents, royalties and similar payments to non-arms' length non-residents			

Number of Days in Taxation Year

			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days				
612		X 5/12.5 X	**33** 365	÷	**73** 365	=	**633** +		
			Days after Dec. 31, 2003		Total Days				
612		X 5/14.0 X	**34**	÷	**73** 365	=	**634** +		

Total add-back amount for Management fees, etc. **633 + 634** =		**613**	+		
Federal Scientific Research Expenses claimed in year from line **460** of fed. form T661 excluding any negative amount in **473** from Ont. CT23 Schedule 161		**615**	+		
Add any negative amount in **473** from Ont. CT23 Schedule 161		**616**	+		
Federal allowable business investment loss		**620**	+		
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*		**614**	+		
Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614			=	181,504	**640** 181,504
					Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under **675**)	**650**	+	180,174
Ontario cumulative eligible capital deduction	**651**	+	1,330
Federal taxable capital gain	**652**	+	
Ontario non-allowable reserves. Balance beginning of year	**653**	+	
Ontario allowable reserves. Balance end of year	**654**	+	
Federal non-allowable reserves. Balance end of year	**655**	+	
Federal allowable reserves. Balance beginning of year	**656**	+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	**657**	+	
Ontario depletion allowance	**658**	+	
Ontario resource allowance *(Refer to Guide)*	**659**	+	
Ontario current cost adjustment *(Attach schedule)*	**661**	+	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	**675**	+	
Subtotal of deductions for this page 650 to 659 + 661 + 675	**681**		181,504
			Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net income (loss) for federal income tax purposes, per federal Schedule 1	From	**600**	±	(8,137)
Total of Additions on page 14	From	**640**	=	181,504

Sub Total of deductions on page 14 From **681** = 181,504

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year **662**

ONTTI Gross-up deduction calculation:

From **662** Gross-up of CCA x 100/ **30** 100.0000 (Ontario Allocation) - From **662** **663** =

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: **665** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **666** =

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: **667** x 100% x 100/ **30** 100.0000 (Ontario Allocation) **668** =

Number of Employees accommodated **669**

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures **670** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **671** =

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures **672** x 15% x 100/ **30** 100.0000 (Ontario Allocation) **673** =

Ontario allowable business investment loss	**678**	+
Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161	**679**	+
Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)	**677**	+
Total of other deductions allowed by Ontario *(Attach schedule)*	**664**	+

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 181,504 **680** 181,504

Net income (loss) for Ontario Purposes **600** + **640** - **680** **690** = (8,137)

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	**700** (2)	**710** (2)	**720** (2)	**730**	**740**	**750**
Add: Current year's losses (7)	**701** 8,137	**711**	**721**	**731**	**741**	**751**
Losses from predecessor corporations (3)	**702**	**712**	**722**	**732**		**752**
Subtotal	**703** 8,137	**713**	**723**	**733**	**743**	**753**
Subtract: Utilized during the year to reduce taxable income Expired during the year Carried back to prior years to reduce taxable income (5)	**704** (2)	**715** (2)(4)	**724** (2)	**734** (2)(4)	**744** (4)	**754** (4)
Subtotal	**705**		**725**	**735**	**745**	
	706 (2) To Pg 17	**716** (2) To Pg 17	**726** (2) To Pg 17	**736** (2) To Pg 17	**746**	
	707	**717**	**727**	**737**	**747**	**757**
Balance at End of Year	**709** (8) 8,137	**719**	**729**	**739**	**749**	**759**

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceeding taxation year	**817** (6)	**860** (6)		**850**	**870**
801 8th preceeding taxation year	**818** (6)	**861** (6)		**851**	**871**
802 7th preceeding taxation year	**819** (6)	**862** (6)		**852**	**872**
803 6th preceeding taxation year	**820**	**830**	**840**	**853**	**873**
804 5th preceeding taxation year	**821**	**831**	**841**	**854**	**874**
805 4th preceeding taxation year	**822**	**832**	**842**	**855**	**875**
806 3rd preceeding taxation year 2000/12/31	**823**	**833**	**843**	**856**	**876**
807 2nd preceeding taxation year 2001/12/31	**824**	**834**	**844**	**857**	**877**
808 1st preceeding taxation year 2002/12/31	**825**	**835**	**845**	**858**	**878**
809 Current taxation year 2003/12/31	**826** 8,137	**836**	**846**	**859**	**879**
Total	**829** 8,137	**839**	**849**	**869**	**889**

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister of Finance**.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
	910	**920**	**930**	**940**
Total amount of loss	8,137			
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
Predecessor Corporation's Account No. (MOF) / **Taxation Year Ending**	**911**	**921**	**931**	**941**
i) 3rd preceding **901** 2000/12/31				
	912	**922**	**932**	**942**
ii) 2nd preceding **902** 2001/12/31				
	913	**923**	**933**	**943**
iii) 1st preceding **903** 2002/12/31				
	From **706**	From **716**	From **726**	From **736**
Total loss to be carried back				
	919	**929**	**939**	**949**
Balance of loss available for carry-forward	8,137			

Summary

Income Tax	From **230** or	**320**	+	
Corporate Minimum Tax	From	**280**	+	
Capital Tax	From	**550**	+	
Premium Tax	From	**590**	+	
Total Tax Payable		**950**	=	
Subtract: Payments		**960**	-	31,500
Capital Gains Refund (s.48)		**965**	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		**985**	-	
Specified Tax Credits *(Refer to Guide)*		**955**	-	
Balance		**970**	=	(31,500)
If payment due	Enclosed *	**990**		
If overpayment: Refund *(Refer to Guide)*		**975**	=	31,500
Apply to		**980**		

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence Address
Alexandra Street

City
Hearst

Province	Country	Postal Code
ON		P0L 1N0

Signature	Date
	2011/09/14

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION HEARST	7334207	2003/12/31

Part 1: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Life Insurance corporations - Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net income/(loss) (unconsolidated, determined in accordance with GAAP) **2100** ±

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes	**2101** +		
Provision for deferred income taxes (credits) / benefit of future income taxes	**2102** +		
Equity income from corporations	**2103** +		
Share of partnership(s)/joint venture(s) income	**2104** +		
Dividends received/receivable deductible under fed.s.112	**2105** +		
Dividends received/receivable deductible under fed.s.113	**2106** +		
Dividends received/receivable deductible under fed.s.83(2)	**2107** +		
Dividends received/receivable deductible under fed.s.138(6)	**2108** +		
Federal Part VI.1 tax on dividends declared and paid, under fed.s.191.1(1) x 3 =	**2109** +		
Subtotal	=	**2110**	-

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	**2111** +		
Provision for deferred income taxes (debits) / cost of future income taxes	**2112** +		
Equity losses from corporations	**2113** +		
Share of partnership(s)/joint venture(s) losses	**2114** +		
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	**2115** +		
Subtotal	=	**2116**	+

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

Fed.s.85	**2117** +		or	**2118**	-
Fed.s.85.1	**2119** +		or	**2120**	-
Fed.s.97	**2121** +		or	**2122**	-
Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	**2123** +		or	**2124**	-
Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	**2125** +		or	**2126**	-
Amounts relating to s.57.10 election/ regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	**2127** +		or	**2128**	-
Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income				**2150**	-
Subtotal (Additions)	=				**2129** +
Subtotal (Subtractions)			=		**2130** -
Other adjustments					**2131** ±
Subtotal ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131					**2132** =
Share of partnership(s)/joint venture(s) **adjusted** net income/loss					**2133** ±
Adjusted net income (loss) (if loss, transfer to **2202** in ***Part 2: Continuity of CMT Losses Carried Forward.***)					**2134** =
Deduct: CMT losses: pre-1994 Loss	From	**2210** +			
CMT losses: other eligible losses		**2211** +			
		=		**2135**	-
CMT Base					**2136** =

Transfer to CMT Base on page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT)

Part 2: Continuity of CMT Losses Carried Forward

CMT loss continuity by year

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Balance at Beginning of year Notes (1), (2) **2201** +

Add:

Current year's losses	**2202** +		
Losses from predecessor corporations on amalgamation Note (3)	**2203** +		
Losses from predecessor corporations on wind-up Note (3)	**2204** +		
Amalgamation (1) **2205** ☐ Yes Wind-up (1) **2206** ☐ Yes			
Subtotal	=	**2207** +	

Adjustments (attach schedule) **2208** ±

CMT losses available 2201 + 2207 ± 2208 **2209** =

Subtract:

Pre-1994 loss utilized during the year to reduce adjusted net income	**2210** +		
Other eligible losses utilized during the year to reduce adjusted net income Note (4)	**2211** +		
Losses expired during the year	**2212** +		
Subtotal	=	**2213** -	

Balances at End of Year Note (5) **2209 - 2213** **2214** =

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisitions of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income **2134** and CMT losses available **2209**.

(5) Amount in **2214** must equal sum of **2270** + **2290**.

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year-end before your corporation's first taxation year commencing after 1993.

Year of Origin (oldest year first)	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	**2260**	**2280**
2241	**2261**	**2281**
2242	**2262**	**2282**
2243	**2263**	**2283**
2244	**2264**	**2284**
2245	**2265**	**2285**
2246 2000/12/31	**2266**	**2286**
2247 2001/12/31	**2267**	**2287**
2248 2002/12/31	**2268**	**2288**
2249 2003/12/31	**2269**	**2289**
Totals	**2270**	**2290**

The sum of amounts 2270 + 2290 must equal amount in 2214.

Corporate Minimum Tax (CMT)

Part 4: Continuity of CMT Credit Carryovers

CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Balance at Beginning of year Note (1) **2301** +

Add: Current year's CMT Credit (**280** on page 8 of the CT23 or **347** on page 6 of the CT8. If negative, enter NIL) From **280 or 347** +

Gross Special Additional Tax Note (2) **312** on page 5 of CT8. (Life Insurance corporations only. Others enter NIL.) From **312** +

Subtract Income Tax (**190** on page 6 of the CT23 or page 4 of the CT8) From **190** -

Subtotal (If negative, enter NIL) = **2305** -

Current year's CMT credit (If negative, enter NIL) **280** or **347** – **2305** = **2310** +

CMT Credit Carryovers from predecessor corporations Note (3) **2325** +

Amalgamation (1) **2315** ☐ Yes Wind-up (1) **2320** ☐ Yes

Subtotal 2301 + **2310** + **2325** **2330** +

Adjustments *(Attach schedule)* **2332** ±

CMT Credit Carryover available 2330 ± **2332** **2333** =

Transfer to Page 8 of the CT23 or page 6 of the CT8

Subtract: CMT credit utilized during the year to reduce income tax (**310** on page 8 of the CT23 or **351** on page 6 of the CT8.) From **310 or 351**

CMT Credit expired during the year **2334** +

Subtotal = **2335** -

Balance at End of Year Note (4) **2333** - **2335** **2336** =

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(4) Amount in **2336** must equal the sum of **2370** + **2390**.

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

Year of Origin (oldest year first)		CMT Credit Carryovers of Corporation		CMT Credit Carryovers of Predecessor Corporation(s)	
2340		**2360**		**2380**	
2341		**2361**		**2281**	
2342		**2362**		**2382**	
2343		**2363**		**2383**	
2344		**2364**		**2384**	
2345		**2365**		**2385**	
2346		**2366**		**2386**	
2347	2001/12/31	**2367**		**2387**	
2348	2002/12/31	**2368**		**2388**	
2349	2003/12/31	**2369**		**2389**	
Totals		**2370**		**2390**	

The sum of amounts 2370 + 2390 must equal the amount in 2336.

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31					8,137		8,137
Totals					8,137		8,137

Current year non-capital loss

Net income (loss) for Ontario tax purposes		(8,137)
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Subtotal - if positive, enter "0"		(8,137)
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		(8,137)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year			
Losses expired after 7 years		-	
Non-capital losses - beginning balance		=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			+
Current year non-capital loss from above	8,137		
Deduct - Non-capital loss carry back to:			
1st preceding taxation year against taxable income			
2nd preceding taxation year against taxable income			
3rd preceding taxation year against taxable income			
Current year non-capital loss net of carryback	8,137	+	8,137
	Subtotal	=	8,137
Deduct:			
Amount applied against taxable income (enter on line 704 of the CT23)			
Section 80 adjustments			
Other adjustments			
		-	
Non-capital losses - ending balance		=	8,137

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year		
Losses expired after 10 years	-	
Farm losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year farm loss		
Deduct - Farm loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
Subtotal		
Current year farm loss net of carry-back		+
Subtotal		=
Deduct:		
Amount applied against taxable income (enter on line 724 of the CT23)		
Section 80 adjustments		
Other adjustments		
		-
Farm losses - ending balance		=

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Current year restricted farm loss

Net loss from farming business			
Deductible farm loss:			
Net loss from above	**A**		
$2,500 plus 1/2 (A - $2,500)	**B**	2,500	
Maximum deduction	**C**	8,750	
Deductible farm loss (lesser of A, B, and C)			-
Current year restricted farm loss			

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year			
Losses expired after 10 years		-	
Restricted farm losses - beginning balance		=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			+
Current year restricted farm loss			
Deduct - Restricted farm loss carry back to:			
1st preceding taxation year against farming income			
2nd preceding taxation year against farming income			
3rd preceding taxation year against farming income			
Current year restricted farm loss net of carry-back			+
Deduct:			
Amount applied against taxable income (enter on line 734 of the CT23)			
Section 80 adjustments			
Other adjustments			
			-
Restricted farm losses - ending balance			=

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Capital Cost Allowance
Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST	7334207	2003/12/31

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☐

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	132,535				132,535		132,535	4			5,301	127,234
2	1,036,444	6,733			1,043,177	3,367	1,039,810	6			62,389	980,788
8	218	8,963		1,090	8,091	3,937	4,154	20			831	7,260
10	30,242	5,469			35,711	2,735	32,976	30			9,893	25,818
8	41,140				41,140		41,140	20			8,228	32,912
10	108,380				108,380		108,380	30			32,514	75,866
36	7,600				7,600		7,600					7,600
12	43,182	35,672			78,854	17,836	61,018	100			61,018	17,836
Totals	1,399,741	56,837		1,090		27,875	1,427,613				180,174	1,275,314

Enter in box **650** on the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Cumulative Eligible Capital Deduction
Schedule 10

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION	(MBU) 7334207	2003/12/31

- **For use by a corporation that has eligible capital property.**
- **A separate cumulative eligible capital account must be kept for each business.**

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year *(if negative, enter zero)*				19,002	A
Add: Cost of eligible capital property acquired during the taxation year	+		B		
Amount transferred on amalgamation or wind-up of subsidiary	+		C		
Other adjustments	+		D		
Total of B + C + D	=		x 3/4=		E
Subtotal A + E			=	19,002	F
Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada)	+		H		
Other adjustments	+		I		
Total of G + H + I	=		x 3/4=		J
Ontario cumulative eligible capital balance F - J			=	19,002	K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 19,002 K x 7%* = 1,330 L

The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* *Enter amount in box **651 of the CT23*

Ontario cumulative eligible capital - closing balance K - L *(if negative, enter zero)* = 17,672 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Complete this part only if the amount at line K is negative

Amount from line K above *show as a positive amount*				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988			1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)			2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988		3		
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988		4		
Line **3** deduct line **4**			5	
Total lines **1 + 2 + 5**			6	
Line **T** from previous Ontario Schedule 10 for taxation years ending after February 27, 2000			7	
Deduct line **7** from line **6**				O
N - O *(cannot be negative)*				P
Amount on line **5**	x 1/2			Q
P - Q				R
Amount on line **R**	x 66.6667			S
Lesser of line **N** or line **O**				T
Amount to be included in income S + T				

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate **S**

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DIS	7338207	2003/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
HEARST POWER SALES AND SERVICES COMPANY LIMITED	1800108	2003/12/31	
		Aggregate of taxable capital	

Transfer to **540** of the CT23

OConsent

Ontario Consent Form

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third party representative in matters pertaining to applicable legislation. **Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.**

The purpose of this form is:
☒ **To authorize** a third party representative or ☐ **To cancel** a third party representative

1. Client identification

Name
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

Ontario Corporations Tax Account Number 7334207

2. Authorized third party identification

Authorized individuals' name

Address Phone number
( ) -

Authorized firm's name
Collins Barrow

Address Phone number
1021 George street P.O.Box 637 Hearst, Ontario P0L 1N0 (705) 362-4261

3. Details of authorization

Indicate the period for which authorization or cancellation applies:

All years ☒

OR

Specific years _____ _____

_____ _____

OR

All years prior to _____

4. Authorized signature (client or authorized signing officer)

NICOLE LEDUC (705) 372-2815 2011/09/14
Name Telephone number Date signed

Manager
Signature of client or authorized signing officer Position, office or rank

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 642
33 King Street West
Oshawa ON L1H 8T1

CT23 - Certification Form Diskette Filing

Return I.D. # _____ *(Ministry Use Only)*

Corporations Tax Account Number
7334207

Please check appropriate boxes if applicable:

- ☐ First year of filing
- ☐ Amended return
- ☐ Taxation year end has changed (approval by CCRA required)
- ☐ Exempt from filing
- ☐ Final taxation year up to Dissolution
- ☐ Final taxation year before Amalgamation
- ☐ Floating Fiscal year end
- ☒ Subject to CMT
- ☐ Change of Control fed.s.249(4)

Date Control was acquired: _____

Date of incorporation
2000/11/02

Return for taxation year
Start 2003/01/01
End 2003/12/31

CCRA Business No.
890534811RC0001

Jurisdiction Incorporated
ONTARIO

Corporation's legal name and mailing address — Change of information? Yes ☐ No ☒

HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST
Care of

Address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Transmitter Details

Transmitter number
Transmitter name
Name of person to contact COLLINS BARROW
Telephone number (705) 362-4261
Facsimile number (705) 362-4641
Transmitter Address 1021 GEORGE STREET P.O. BOX 637
HEARST, ON P0L 1N0
Disk Reference Number

Aggregate of Total Revenue	**210**	7,843,172
Aggregate of Total Assets	**209**	6,154,821
Taxable Income (Non-capital Loss)	**10**	(8,137)
Total Tax Payable	**950**	
Payments:	**990**	31,500
Enclosed:		
Apply to: Year		
Apply Amount:		

975 Refund: Yes ☒ No ☐
If Yes, Due to:
Loss Carryback: Yes ☐ No ☒
Overpayment: Yes ☒ No ☐
Refundable tax credit Yes ☐ No ☒

Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this Return, has been examined by me and is a true, correct and complete Return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence address
Alexandra Street

City
Hearst

Province	Country	Postal code
ON		P0L 1N0

Signature

Phone Number	Date
(705) 372-2815	2011/09/14

ProFile Version 2004.5.0 Approval code 060E

Payment Advice

Corporations Tax Account Number	7334207
Date of Incorporation	2000/11/02
Corporation Name	
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION D	

Enter the amount of payment and indicate taxation year.

Taxation Year End	**Payment amount**
	$
2003/12/31	$
Total Payment	$

Submit your cheque (drawn on a Canadian financial institution) or money order in Canadian Funds, payable to: The Minister of Finance

Send to: Ontario Ministry of Finance
Corporations Tax Branch
P.O. Box 642
33 King Street West
Oshawa ON L1H 8T1

Incomplete information will result in a delay processing an assessment.

Canada Revenue Agency | Agence du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the Income Tax Act. This return may contain changes that had not yet become law at the time of printing. For more information on how to complete the return, see the *T2 Corporation – Income Tax Guide (T4012)*.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's tax year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 Do not use this area

Identification

Business number (BN) **001** 89053 4811 RC 0001

Corporation's name

002 HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

Has the corporation changed its name since the last time we were notified? **003** ☐ Yes ☒ No

If *Yes*, do you have a copy of the articles of amendment? **004** ☐ Yes ☐ No

Address of head office

Has this address changed since the last time we were notified? **010** ☐ Yes ☒ No

(If Yes, complete lines 011 to 018)

011 P.O. BAG 5000

012

City: **015** HEARST

Province, territory, or state: **016** ON

Country (other than Canada): **017**

Postal code/Zip code: **018** P0L 1N0

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? **020** ☐ Yes ☒ No

(If Yes, complete lines 021 to 028)

021 c/o

022 P.O. BAG 5000

023

City: **025** HEARST

Province, territory, or state: **026** ON

Country (other than Canada): **027**

Postal code/Zip code: **028** P0L 1N0

Location of books and records

Has the location of books and records changed since the last time we were notified? **030** ☐ Yes ☒ No

(If Yes, complete lines 031 to 038)

031 P.O. BAG 5000

032

City: **035** HEARST

Province, territory, or state: **036** ON

Country (other than Canada): **037**

Postal code/Zip code: **038** P0L 1N0

040 Type of corporation at the end of the tax year

1 ☒ Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change **043**

To which tax year does this return apply?

From **060** 2004/01/01 to **061** 2004/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? **063** ☐ Yes ☒ No

If *Yes,* provide the date control was acquired **065**

Is the corporation a professional corporation that is a member of a partnership? **067** ☐ Yes ☒ No

Is this the first year of filing after:

Incorporation? **070** ☐ Yes ☒ No

Amalgamation? **071** ☐ Yes ☒ No

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year?

If *Yes*, complete and attach Schedule 24 **072** ☐ Yes ☒ No

Is this the final tax year before amalgamation? **076** ☐ Yes ☒ No

Is this the final return up to dissolution? **078** ☐ Yes ☒ No

Is the corporation a resident of Canada? **080** ☒ Yes ☐ No

If *No*, give the country of residence on line 081 and complete and attach Schedule 97. **081**

Is the non-resident corporation claiming an exemption under an income tax treaty? **082** ☐ Yes ☒ No

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☒ Exempt under other paragraphs of section 149

Do not use this area

091	**092**	**093**	**094**	**095**	**096**	
100						

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules - Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		-----
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233		33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236		36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

*** We do not print this schedule.**

Attachments - Continued from page 2

Attachments - Continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	☐	T1134-A
Did the corporation have any controlled foreign affiliates?	258	☐	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	260	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	☐	T1174

Additional information

Is the corporation inactive?	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes ☐	2 No ☒

What is the corporation's major business activity? 282

(Only complete if *Yes* was entered at line 281.)

If the major business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	ELECTRICAL UTILITY	285	100.000 %
	286		287	%
	288		289	%

Did the corporation immigrate to Canada during the tax year?	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the tax year?	292	1 Yes ☐	2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	59,536	A
Deduct: Charitable donations from Schedule 2	311				
Gifts to Canada, a province, or a territory from Schedule 2	312				
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320				
Part VI.1 tax deduction from Schedule 43 *	325				
Non-capital losses of preceding tax years from Schedule 4	331	8,137			
Net capital losses of preceding tax years from Schedule 4	332				
Restricted farm losses of preceding tax years from Schedule 4	333				
Farm losses of preceding tax years from Schedule 4	334				
Limited partnership losses of preceding tax years from Schedule 4	335				
Taxable capital gains or taxable dividends allocated from a central credit union	340				
Prospector's and grubstaker's shares	350				
Subtotal		8,137	▶	8,137	B
Subtotal (amount A minus amount B) (if negative, enter "0")				51,399	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C plus amount D)			360	51,399	
Income exempt under paragraph 149(1)(t)			370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)					Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7 — **400** — 59,536 — A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632 on page 7, **minus** 3 times the amount on line 636 on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax — **405** — B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

$250,000 x (Number of days in the tax year in 2004 / Number of days in the tax year) = 366 / 366 = 250,000 — 1

$300,000 x (Number of days in the tax year in 2005 and in 2006 / Number of days in the tax year) = / 366 = — 2

$400,000 x (Number of days in the tax year after 2006 / Number of days in the tax year) = / 366 = — 3

Add amounts at lines 1, 2, and 3 — 250,000 — 4

Business limit (see notes 1 and 2 below) — **410** — C

Notes:1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C ____ X **415** D / 11,250 = — E

Reduced business limit (amount C minus amount E) (if negative, enter "0") — **425** — 0 — F

Small business deduction – 16% of whichever amount is the least: A, B, C, or F — **430** — 0 — G

(enter amount G on line 9 of page 7)

Accelerated tax reduction

(For tax years ending before January 1, 2006)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ____ x ____ = — a

Net active business income (amount from line 400)* — b

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax — c

Deduct:

Aggregate investment income (amount from line 440 of page 6) — d

Amount c minus amount d (if negative, enter "0") — e

Amount a, b, or e above, whichever is less — f

Amount Z from Part 9 of Schedule 27 ____ x 100 / 7 = — g

Amount QQ from Part 13 of Schedule 27 — h

Taxable resource income from line 435 on page 5 — i

Amount used to calculate the credit union deduction (amount e in Part 3 of Schedule 17) — j

Amount on line 400, 405, 410 or 425 of the small business deduction, whichever is less — k

Total of amounts g, h, i, j, and k — l

Amount f minus amount l (if negative, enter "0") — m

Accelerated tax reduction - 7% of amount m — n

(enter amount n on line 637 of page 7)

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] **435** H

Amount H x Number of days in the taxation year in 2003 / Number of days in the taxation year = ____ / 366 x 1% = I

Amount H x Number of days in the taxation year in 2004 / Number of days in the taxation year = 366 / 366 x 2% = J

Amount H x Number of days in the taxation year in 2005 / Number of days in the taxation year = ____ / 366 x 3% = K

Amount H x Number of days in the taxation year in 2006 / Number of days in the taxation year = ____ / 366 x 5% = L

Amount H x Number of days in the taxation year after 2006 / Number of days in the taxation year = ____ / 366 x 7% = M

Resource deduction – total of amounts I, J, K, L, and M **438** N

(enter amount N on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 page 3 A

Amount Z from Part 9 of Schedule 27 x 100 / 7 = B

Amount QQ from Part 13 of Schedule 27 C

Taxable resource income from line 435 above D

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) E

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least F

Aggregate investment income from line 440 of page 6 G

Amount used to calculate the accelerated tax reduction (amount m of page 4)

Subtotal ▶ H

Amount A minus amount H (if negative, enter "0") I

General tax reduction for Canadian-controlled private corporations - Amount x 7% J

(Enter amount J on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation; and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the full tax rate of 38% (eg. deposit insurance company).

Taxable income from line 360 on page 3 M

Amount Z from Part 9 of Schedule 27 x 100 / 7 = N

Amount QQ from Part 13 of Schedule 27 O

Taxable resource income from line 435 above P

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) Q

Total of amounts N, O, P, and Q ▶ R

Amount M **minus** amount R (if negative, enter "0") S

General tax reduction - Amount S x 7% T

(enter amount T on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income **440** X 26 2/3 % = A
(Amount O from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

Foreign investment income **445** X 9 1/3 % =
(Amount L from Part 2 of Schedule 7) (if negative, enter "0") B

Amount A **minus** amount B (if negative, enter "0") C

Taxable income from line 360 on page 3 51,399

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least

Foreign non-business income tax credit from line 632 of page 7 x 25/9 =

Foreign business income tax credit from line 636 of page 7 x 3 =

51,399 X 26 2/3% = 13,706 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)

Deduct: Corporate surtax from line 600 of page 7

Net amount E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least **450** 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding tax year **460**

Deduct: Dividend refund for the previous tax year **465** G

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from line 360 on page 2 of Schedule 3

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480** H

Refundable dividend tax on hand at the end of the tax year - Amount G **plus** amount H **485** 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 X 1/3 I

Refundable dividend tax on hand at the end of the tax year from line 485 above J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 — 550 — 0 — A

Corporate surtax calculation

Base amount from line A above			1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		5,140	2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environment trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)	c		
Total of lines 2 to 6		5,140	7
Net amount (line 1 minus line 7)			8

Corporate surtax - 4% of the amount on line 8 — 600 — B

Recapture of investment tax credit from line III in Part 24 of Schedule 31 — 602 — C

Calculation for the refundable tax on Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6			i
Taxable income from line 360 on page 3	51,399		
Deduct: Amount on line 400, 405, 410, or 425 of page 4, whichever is the least			
Net amount	51,399	51,399	ii

Refundable tax on CCPC's investment income – 6 2/3% of whichever is less: amount i or ii — 604 — D

Subtotal (add lines A, B, C, and D) — E

Deduct:

Small business deduction from line 430 on page 4			9
Federal tax abatement	608		
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616		
Investment corporation deduction	620		
(taxed capital gains 624)			
Additional deduction – credit unions from Schedule 17	628		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
Accelerated tax reduction from amount n of page 4	637		
Resource deduction from line 438 of page 5			10
General tax reduction for CCPCs from amount J on page 5	638		
General tax reduction from amount T on page 5	639		
Federal logging tax credit from Schedule 21	640		
Federal political contribution tax credit	644		
Federal political contributions 646			
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Apprenticeship Job Creation Tax Credit (Applicable for salaries and wages paid to qualifying apprentices on or after May 2, 2006)			
Subtotal			F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) — 0 — G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax tax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		0

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec, Ontario and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	0 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations - Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	B

Refund Code 894 Overpayment

Balance (line A minus line B) 0 I

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid

Enclosed payment 898

Direct Deposit Request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒ NA ☐

Certification

950 LEDUC (Surname) 951 NICOLE (First name) 954 Manager (Position, office or rank)

955 2011/09/14 (Date) 956 (705) 372-2815 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 (Name) 959 ( ) - (Telephone number)

Language of correspondence - Langue de correspondance

990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements			**A**	40,975
Add:				
Provision for income taxes - current	**101**	10,025		
Amortization of tangible assets	**104**	131,059		
Total of fields 201 to 294	**199**	2,230		
Total of fields 101 to 199	**500**	143,314	▶	143,314
Deduct:				
Capital cost allowance - Schedule 8	**403**	123,516		
Cumulative eligible capital deduction - Schedule 10	**405**	1,237		
Total of fields 401 to 499	**510**	124,753	▶	124,753
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)				59,536

Add:

Other additions:

603 Income from 2003 not recorded last year	**293**	2,230	
Total of fields 201 to 294 (Enter this amount at line 199)			2,230

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CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	127,234	15,800			7,900	135,134	4	5,405			137,629
2	980,788	11,763			5,882	986,669	6	59,200			933,351
8	7,260					7,260	20	1,452			5,808
10	25,818					25,818	30	7,745			18,073
8	32,912	13,411			6,706	39,617	20	7,923			38,400
10	75,866					75,866	30	22,760			53,106
36	7,600					7,600					7,600
12	17,836					17,836	100	17,836			
45		5,313			2,657	2,656	45	1,195			4,118
Totals	1,275,314	46,287			23,145	1,298,456		123,516			1,198,085

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION — Schedule 10

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")				200 17,672	A
Add: Cost of eligible capital property acquired during the taxation year	222				
Other adjustments	226				
Subtotal (line 222 plus line 226)		x 3/4 =			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	x 1/2 =			C
amount B minus amount C (if negative, enter "0")					D
Amount transferred on amalgamation or wind-up of subsidiary				224	E
Subtotal (add amounts A, D, and E)				230 17,672	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H		
Other adjustments	246		I		
(add amounts G, H, and I)		x 3/4 =		248	J
Cumulative eligible capital balance (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)				17,672	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249				
amount K 17,672					
less amount from line 249					
Current year deduction 17,672	x 7% =	250	1,237 *		
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)			1,237	1,237	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")				300 16,435	M

***** You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 – Amount to be included in income arising from disposition

Amount from line K (show as positive amount)					N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	400		1		
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)	401		2		
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402		3		
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408		4		
Line 3 minus line 4 (if negative, enter "0")			5		
Total of lines 1, 2, and 5			6		
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400			7		
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000			8		
Subtotal (line 7 plus line 8)	409		9		
Line 6 minus line 9 (if negative, enter "0")					O
Line N minus line O (if negative, enter "0")					P
Line 5		x 1/2 =			Q
Line P minus line Q (if negative, enter "0")					R
Amount R		x 66.6667			S
Amount N or amount O, whichever is less					T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)				410	

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Schedule 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Allocating the business limit

Date filed (do not use this area) **025**

Enter the calendar year to which the agreement applies **050** 2004

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** ☐ 1 Yes ☒ 2 No

	1 Names of associated corporations **100**	2 Business Number of associated corporations **200**	3 Association code **300**
1	HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBU	89053 4811 RC 0001	1
2	HEARST POWER SALES AND SERVICES COMPANY LIMITED	86368 9998 RC 0001	1

Allocate business limit using: ☒ % ☐ $

	Taxation year Start	Taxation year End	4 Business limit for the year (before allocation) $	Allocating business limit 5 Percentage of the business limit (%) **350**	6 Business limit allocated $ **400**	7 Gross Part I.3 tax for business limit reduction
1	2004/01/01	2004/12/31	250,000	100.000	250,000	
2	2004/01/01	2004/12/31	250,000			
TOTALS				100.000	A 250,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 250,000

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust) **100**	Business Number (If a corporation is not registered, enter "NR") * **200**	Social Insurance Number * **300**	Trust Number (If a trust number is not available, enter "NA") * **350**	Percentage common shares **400**	Percentage preferred shares **500**
The Corporation of the Town of Hearst	10812 7051 RC 0001			100.000	
	RC				

* For a taxation year commencing before January 1, 2004, if the shareholder is a trust, enter NR at field 200 or NA at field 300. Do not enter a trust number in field 350.

notes

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INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Current year	Prior year
Trade sales of goods and services	**8000**	8,449,978	7,924,752
Total sales of goods and services	**8089**	8,449,978	7,924,752
Investment revenue	8090	93,868	97,991
Other revenue	8230	73,132	60,615
Total revenue	**8299**	8,616,978	8,083,358

Cost of sales	Code	Current year	Prior year
Opening inventory	**8300**		
Purchases / cost of materials	8320	7,782,580	7,310,843
Cost of sales	**8518**	7,782,580	7,310,843
Gross profit / loss (item 8089 - item 8518)	**8519**	667,398	613,909

Operating expenses	Code	Current year	Prior year
Advertising and promotion	8520	290	440
Meals and entertainment	8523		940
Employee benefits	8620	8,279	36,932
Amortization of tangible assets	8670	131,059	167,996
Interest and bank charges	8710	5,755	14,244
Interest on long term debt	8714	50,000	37,495
Office expenses	8810	11,481	14,710
Rental	8910	8,012	4,342
Repairs and maintenance	8960	157,809	113,975
Salaries and wages	9060	190,027	122,647
Sub-contracts	9110	42,654	30,037
Supplies	9130	68,963	121,421
Other expenses	9270	109,069	105,106
Total operating expenses	**9367**	783,398	770,285
Total expenses	**9368**	8,565,978	8,081,128
Net non-farming income	**9369**	51,000	2,230

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	**9370**		
Total farm revenue	**9659**		

Farming expenses	Code	Current year	Prior year
Crop expenses	**9660**		
Total farm expenses	**9898**		
Net farm income	**9899**		
Net income / loss before taxes and extraordinary items	**9970**	51,000	2,230

Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	**9975**	-		-	
Legal settlements	**9976**	-		-	
Unrealized gains / losses	**9980**	+		+	
Unusual items	**9985**	-		-	
Current income taxes	**9990**	-	10,025	-	
Future income tax provision	**9995**	-		-	
Net income / loss after taxes and extraordinary items	**9999**	=	40,975	=	2,230

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NOTES CHECKLIST

Schedule 141

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide.*
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation?	**095**	☒ Yes	☐ No
Is the accounting practitioner connected* with the corporation?	**097**	☐ Yes	☒ No

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note

If the accounting practitioner does not have a professional designation or is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: **198**

Completed an auditor's report	1	☒
Completed a review engagement report	2	☐
Conducted a compilation engagement	3	☐

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation?	**099**	☐ Yes	☒ No

Part 4 – Other information

Were notes to the financial statements prepared?	**101**	☒ Yes	☐ No
If *Yes* , complete lines 102 to 107 below:			
Are any values presented at other than cost?	**102**	☐ Yes	☒ No
Has there been a change in accounting policies since the last return?	**103**	☐ Yes	☒ No
Are subsequent events mentioned in the notes?	**104**	☐ Yes	☒ No
Is re-evaluation of asset information mentioned in the notes?	**105**	☐ Yes	☒ No
Is contingent liability mentioned in the notes?	**106**	☐ Yes	☒ No
Is information regarding commitments mentioned in the notes?	**107**	☐ Yes	☒ No
Does the corporation have investments in joint venture(s) or partnership(s)?	**108**	☐ Yes	☒ No
If *Yes* , complete line 109 below:			
Are you filing financial statements of the joint venture(s) or partnership(s)?	**109**	☐ Yes	☐ No

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file th CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No **Page 1 of 24**

Corporation's Legal Name *(including punctuation)*
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQU

Ontario Corporations Tax Account No. (MOF)
7334207

Mailing address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

This CT23 Return covers the Taxation Year
Start 2004/01/01
End 2004/12/31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of change

Date of Incorporation or Amalgamation
2000/11/02

Registered/Head Office Address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Ontario Corporation No. (MCBS) 7334207

Location of Books and Records
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Canada Customs and Revenue Agency Business No.
890534811RC0001

Name of person to contact regarding this CT23 Return
NICOLE LEDUC

Telephone No.
(705) 372-2815

Fax No.
( ) -

Jurisdiction Incorporated
ONTARIO

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)

City	Province	Country	Postal code

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced
Ceased
☒ ***Not Applicable***

Former Corporation Name (*Extra-Provincial Corporations only*) ☐ ***Not applicable*** (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s) 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check 1 this box. Schedule(s) A and K are not required (MCBS). ▶ ☐ **No Change**

Preferred Language / *Langue de préférence*
☒ English anglais ☐ French français

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person
NICOLE LEDUC

Title: D ☒ Director O ☐ Officer P ☐ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);
c) had no Ontario Corporations Tax payable for the taxation year;
d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act* (Canada));
e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed $5 million or whose total revenues exceed $10 million for the taxation year).

Signature	Title/Relationship to Corporation	Telephone number ( ) -	Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

NOTE 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

NOTE 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

1. If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
2. If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
3. If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items MUST be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is **also** being filed, completion of these fields is NOT necessary.

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation No. (MCBS)

3.Canada Customs and Revenue Agency Business No.
RC

A corporation **must file** an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, **within 6 months** after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		
X		(a)	The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents (nearest whole percentage) 100 %
X		(b)	The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (*Refer to guide)*
	X	(c)	The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
	X	(d)	The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution; OR The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each $3,000,000 or less and the corporation is not a financial institution.
X		(e)	The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
X		(f)	The corporation's Ontario allocation factor is 100%.

NOTE: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a), (b), (c), (e) and (f) above.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation - Please check (1) box(es) if applicable in sections 1 & 2

1

- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity
electrical utility

2

- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp s.47
- 4 [ ] Credit Union s.51
- 5 [ ] Bank Mortgage Subsidiary s.61(4)
- 6 [ ] Bank s.1(2)
- 7 [ ] Loan and Trust Corporation s.61(4)
- 8 [ ] Non-resident Corp s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corp s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-resident s.63(1)
- 16 [ ] Financial institutions prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Please check (1) box(es) if applicable:

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- [ ] Final Taxation Year up to Dissolution(wind-up) (Note: For discontinued businesses, see Guide.)
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s.249(4)

Date control was acquired: _____

Was the corporation inactive throughout the taxation year?		Yes [ ]	No [X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?		Yes [X]	No [ ]
Are you requesting a refund due to:	the Carry-back of a Loss?	Yes [ ]	No [X]
	an Overpayment?	Yes [X]	No [ ]
	a Specified Refundable Tax Credit?	Yes [ ]	No [X]
Are you a Member of a Partnership or a Joint Venture?		Yes [ ]	No [X]

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From **690**	±	59,536
Subtract: Charitable donations	**1**	-	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	**2**	-	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	**3**	-	
Subtract: Ontario political contributions *(Attach schedule* 2A) (Int.B. 3002)	**4**	-	
Subtract: Federal Part VI.1 tax X 9/3	**5**	-	
Subtract: Prior years' losses applied - Non-capital losses	From **704**	-	8,137
From **715** inclusion			
Net capital losses (page 16) X rate 50.000000 % =	**714**	-	
Farm losses	From **724**	-	
Restricted farm losses	From **734**	-	
Limited partnership losses	From **754**	-	
Taxable income (Non-capital loss)	**10**	=	51,399
Addition to taxable income for unused foreign tax deduction for federal purposes	**11**	+	
Adjusted taxable income 10 + **11** (if **10** is negative, enter **11**)	**20**	=	51,399

Taxable Income

Number of days in Taxation Year

					Days after Sept 30, 2001 and before Jan 1, 2004		Total days				
From **10** (or **20**)	51,399	X **30**	100.0000 Ontario Allocation	% X 12.5 % X	**33**	÷	**73** 366	=	**29**	+	
					Days after Dec 31, 2003		Total days				
From **10** (or **20**)	51,399	X **30**	100.0000 Ontario Allocation	% X 14.0 % X	**34** 366	÷	**73** 366	=	**32**	+	7,196
Income Tax Payable (before deduction of tax credits) **29** + **32**									**40**	=	7,196

Incentive Deduction for Small Business Corporations (IDSBC)(s.41) ***(If this section is not completed, the IDSBC will be denied.)***

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (1) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			**50**	59,536
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	**51**	+		
Add: Losses of other years deducted for federal purposes (fed.s.111)	**52**	+	8,137	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	**53**	-	8,137	
		=	**54**	
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	**55**	+		

Ontario Business Limit Calculation

	Days after Sept. 30, 2001 and before Jan. 1, 2003						
280,000 X	**28**	÷ **	366	=+	**43**		
	Days after Dec. 31, 2002 and before Jan. 1, 2004						
320,000 X	**31**	÷ **	366	=+	**46**		
	Days after Dec. 31, 2003						
400,000 X	**34** 366	÷ **	366	=+	**47**	400,000	

*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

Business limit for Ontario purposes **43** + **46** + **47**	= **44**	400,000	X	**48**	100.0000 % =	**45**	400,000

Income eligible for the IDSBC From **30** 100.0000 % X **56** ****Ontario Allocation Least of **50**, **54** or **45** **60** =

* ***Note***: *Modified by s.41(6) and (7) for corporations that are members of a partnership.* ***(Refer to Guide.)***

** ***Note***: *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note***: *For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.*

**** ***Note***: *Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

Income Tax *continued from Page 4*

Number of Days in Taxation Year

Calculation of IDSBC Rate

			Days after Sept 30, 2001 and before Jan 1, 2003			Total Days				
6.5 % X	**28**		÷	**73**		=	**79**	+		
			Days after Dec 31, 2002 and before Jan 1, 2004			Total Days				
7.0 % X	**31**		÷	**73**	366	=	**89**	+		
			Days after Dec 31, 2003			Total Days				
8.5 % X	**34**	366	÷	**73**	366	=	**90**	+	8.5000	
IDSBC Rate for Taxation Year 79 + 89 + 90							**78**	=	8.5000	
Claim	From **60**		X	From **78**	8.5000 %		**70**	=		

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

***** Short Taxation Years -*** Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

**** Taxable Income of the corporation**						From **10** (or **20** if applicable)		**80**	+	51,399
If you are a member of an associated group (1)	**81** ☐ (Yes)									
Taxable income of associated corporations *(Attach schedule)*								**82**	+	
Aggregate Taxable Income								**85**	=	51,399

Number of days in Taxation Year

		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days						
Subtract:	280,000 X	**28**	÷	**73**	=	**113**	+			
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days						
	320,000 X	**31**	÷	**73** 366	=	**115**	+			
		Days after Dec 31, 2003		Total Days						
	400,000 X	**34** 366	÷	**73** 366	=	**116**	+	400,000		
				113 + **115** + **116**		=	400,000	▶	**114**	- 400,000
(If negative, enter nil)									**86**	=

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax

			Days after Sept 30, 2001 and before Jan 1, 2003			Total Days				
4.333% X	**28**		÷	**73**	366	=	**95**	+		
			Days after Dec 31, 2002 and before Jan 1, 2004			Total Days				
4.667% X	**31**		÷	**73**	366	=	**96**	+		
			Days after Dec 31, 2003			Total Days				
4.667% X	**34**	366	÷	**73**	366	=	**97**	+	4.6670	
Specified rate of surtax for Taxation Year **95** + **96** + **97**								**94**	=	4.6670
From **86**	X From **94**	4.6670 % =						**87**	=	
From **87**	X From **60**		÷ From **114**	400,000				**88**	=	

Surtax: Lesser of **70** or **88** **100** =

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)*

110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits		**120**	+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56**		-

Add: Adjustment for Surtax on Canadian-controlled private corporations

From **100** ÷ From **30** 100.0000 % ÷ From **78** 8.5000 % = **121**

*Ontario Allocation

Lesser of **56** or **121**		**122**	+
120 - **56** + **122**		**130**	=

Taxable income	From **10**	+	51,399
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56**	-	
Add: Adjustments for Surtax on Canadian-controlled private corporations	From **122**	+	
Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada	**140**	-	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	**141**	-	
10 - **56** + **122** - **140** - **141**	**142**	=	51,399

Claim **Number of Days in Taxation Year**

143 X From **30** 100.0000 % X 1.5% X (Days after Sept 30, 2001 and before Jan 1, 2004) **33** ÷ (Total Days) **73** 366 = **154** +

Lesser of **130** or **142** *Ontario Allocation

143 X From **30** 100.0000 % X 2.0% X (Days after Dec 31, 2003) **34** 366 ÷ (Total Days) **73** 366 = **156** +

Lesser of **130** or **142** *Ontario Allocation

M&P claim for taxation year **154** + **156** **160** =

****Note****: Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations

161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity

162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule).* **170**

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible credit **175** Credit claimed **180**

Subtotal of Income Tax **40** - **70** + **100** - **110** - **160** - **161** - **162** -**170** - **180**

190 = 7,196

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) *Applies* to research and development in Ontario.
Eligible credit from **5620** OITC claim form *(Attach original Claim Form)* **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) *Applies* to employment of eligible students.
Eligible credit from **5798** Summary Schedule F **192** +

Ontario Film and Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates from **6596**
194
Eligible Credit from **6598** Summary Schedule G **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form Certified by Ontario Media Development Corporation
(*Attach the original Claim/Certification Form with the CT23 Tax Return.*) **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit from **7300** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) CT Schedule 193/199, as applicable
(*Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.*) **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** Claim Form certified by Ontario Media Development Corporation
(*Attach original Claim/Certification Form.)* **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* **201** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 **220** =

Specified Tax Credits *Applied to reduce Income Tax* **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** (amount cannot be negative) **230** = 7,196

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on ***Page 17***.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B on ***Page 8***.

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.
* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	**240** +	6,350,026		
*** Total Revenue of the corporation**			**241** +	8,449,978
If you are a member of an associated group (1) **242** [X] (Yes)				
Total Assets of associated corporations *(Attach schedule)*	**243** +			
Total Revenue of associated corporations *(Attach schedule)*			**244** +	
Aggregate Total Assets	**249** =	6,350,026		
Aggregate Total Revenue			**250** =	8,449,978

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on page 18.)*

Gross CMT Payable	CMT Base From **2135**	51,000 (If negative, enter zero)	X	From **30**	100.0000 (Ontario Allocation)	% X 4%	**276** =	2,040
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*							**277** -	
Subtract: Income Tax						From	**190** -	7,196
Net CMT Payable (if negative, enter Nil on page 17.)							**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from ***Page 7*** *to* ***Income Tax Summary, on Page 17***.

If **280** is less than zero and you have a CMT credit carryover, complete A & B below.

If **280** is greater than or equal to zero, transfer **230** to ***Page 17*** and transfer **280** to ***Page 17, and*** *to* ***Schedule D: Continuity of CMT Credit Carryovers****, on* ***Page 20.***

CMT Credit Carryover available	From	**2307**	

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)			From	**190** +	7,196
	Gross CMT payable	From **276** +	2,040			
	Subtract: Foreign Tax Credit for CMT purposes	From **277** -				
	If **276** - **277** is negative, enter NIL in **290**	=	2,040 ▶		**290** -	2,040
	Income Tax eligible for CMT Credit				**300** =	5,156
B.	Income Tax (after deduction of specified credits)			From	**230** +	7,196
	Subtract: CMT credit used to reduce income taxes				**310** -	
	Income Tax				**320** =	7,196

Transfer to Page 17

If A & B apply, **310** ***cannot exceed the lesser of*** **230, 300** ***and your CMT credit carryover available*** **2307**.

If only B applies, **310** ***cannot exceed the lesser of*** **230** ***and your CMT credit carryover available 2307.***

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines* 480 *and* 430 *on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in* 480 *and* 430 *are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in* 480 *and* 430 *are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	**350**	+	
Retained earnings (if deficit, deduct) (Int.B. 3012)	**351**	±	
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	**352**	+	
Loans and advances *(Attach schedule)*(Int.B. 3013)	**353**	+	
Bank loans (Int.B. 3013)	**354**	+	
Bankers acceptances (Int.B. 3013)	**355**	+	
Bonds and debentures payable (Int.B. 3013)	**356**	+	
Mortgages payable (Int.B. 3013)	**357**	+	
Lien notes payable (Int.B. 3013)	**358**	+	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	**359**	+	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	**360**	+	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	**361**	+	
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	**362**	+	
Subtotal	**370**	=	
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	**371**	-	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	**372**	-	
Total Paid-up Capital	**380**	=	
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	**381**	-	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	**382**	-	
Net Paid-up Capital	**390**	=	

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	**402**	+	
Mortgages due from other corporations	**403**	+	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	**404**	+	
Loans and advances to unrelated corporations	**405**	+	
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	**406**	+	
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	**407**	+	
Total Eligible Investments	**410**	=	

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	**420**	+	6,350,026
Mortgages or other liabilities deducted from assets	**421**	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	**422**	+	
Subtract: Investment in partnership(s)/joint venture(s)	**423**	-	
Total Assets as adjusted	**430**	=	6,350,026
Amounts in **360** and **361** (if deducted from assets)	**440**	+	
Subtract: Amounts in **371**, **372** and **381**	**441**	-	
Subtract: Appraisal surplus if booked	**442**	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	**443**	±	
Total Assets	**450**	=	6,350,026

Investment Allowance (**410** ÷ **450**) X **390** — **Not to exceed 410**	**460**	=	
Taxable Capital **390** - **460**	**470**	=	

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	8,449,978			
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*				
Aggregate of Gross Revenue	8,449,978	**480**		8,449,978
Total Assets (as adjusted)	From	**430**		6,350,026

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below**.

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11. and if applicable, complete Section D or Section E on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in **550** on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership

B1. If the taxation year commences after September 30, 2001 and **430** and **480** on page 10 are both $3,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

B2. If taxable capital, **470** on page 10, is **$5,000,000 or less**, enter NIL in **550** on page 12 and complete the return from that point.

B3. If taxable capital, **470** on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount from **523** to **543** on page 12, and complete the return from that point.

+ From **470** _____

\- _____

= **471** _____ x From **30** _____ x 0.3% x **555** _____ = **523** + _____

Ontario Allocation — Days in taxation year / **365/366 — *Transfer to 543 on page 12 and complete the return from that point***

**** If floating taxation year, refer to Guide**.

continued on Page 11

Capital Tax Calculation *continued from page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ **509** (1 if applicable)

All corporations that you are associated with do not have a permanent establishment in Canada.
If taxable capital **470** on page 10 is $5,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.
If taxable capital **470** on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in **542** Section D, and complete Section D and the return from that point

C2. ☒ **524** (1 if applicable)

One or more of the corporations that you are associated with maintains a permanent establishment in Canada
If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.
If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation ***Do NOT complete this calculation if ss.69(2.1) election is filed***

Taxable Capital form **470** on page 10	From **470** +	

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**531** +	
Total Aggregate Taxable Capital **470 + 531**	**540** =	

If **540** above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in **523** in section D on page 12, as applicable.
If **540** above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From **470** _____ ÷ From **540** _____ X 5,000,000 **541** =

Transfer to Section 542 in D on page 12

Ss.69(2.1) Election Filed

☐ **591** (1 if applicable)

Election filed. ***Attach a copy of the election with this CT23 Return***.
Proceed to **Section E** on page 12.

Capital Tax Calculation *continued from page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 on *page 11* exceeds $5,000,000.

Complete the following calculation and transfer the amount From **523** to **543**, and complete the return from that point.

+ From	**470**											**Total Capital Tax for the taxation year**
-	**542**								Days in the taxation year			
=	**471**		x	From **30**		% x 0.3% x	**555**		=	**523**	+	
				Ontario Allocation			** (365/366)					*Transfer to 543 and complete the return from that point*

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From **470**		X From	**30**		x 0.3%	= **561**	+	
-	Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form						From **995**	-	
							562	=	

					Days in taxation year			
Capital Tax	**562**		X	**555**		=	**563**	+	
				** (365/366)				*Transfer to 543 and complete the return from that poin*

**** If floating taxation year, refer to Guide**

Capital Tax *before application of specified credits*	**543**	=	
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	**546**	-	
Capital Tax **543 - 546** *(amount cannot be negative)*	**550**	=	

Transfer to page 17

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

I.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ x 0.6% x From **30** _____ % x (Days in taxation year) **555** _____ ÷ **365/366 = **569** +

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation

570 _____ x **571** _____ x From **30** _____ % x (Days in taxation year) **555** _____ ÷ **365/366 = **574** +

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575** =

***** If floating taxation year, refer to Guide***.

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** -

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (1) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** =

*Transfer to **543** on Page 12*

Premium Tax (s.74.2 & 74.3) *(refer to Guide)*

(1) Uninsured Benefits Arrangements **587** _____ x 2% **588** =

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to guide)* **589** -

Premium Tax 588 - 589 **590** =

Transfer to Page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1	**600**	±	59,536
			Transfer to Page 15

Add:

Federal capital cost allowance	**601**	+	123,516
Federal cumulative eligible capital deduction	**602**	+	1,237
Ontario taxable capital gain	**603**	+	
Federal non-allowable reserves. Balance beginning of year	**604**	+	
Federal allowable reserves. Balance end of year	**605**	+	
Ontario non-allowable reserves. Balance end of year	**606**	+	
Ontario allowable reserves. Balance beginning of year	**607**	+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	**608**	+	
Federal resource allowance	**609**	+	
Federal depletion allowance	**610**	+	
Federal foreign exploration and development expenses	**611**	+	

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2004		Total days				
612		X 5/12.5 X	**33**	÷	**73** 366	=	**633**	+	
			Days after Dec. 31, 2003		Total days				
612		X 5/14.0 X	**34** 366	÷	**73** 366	=	**634**	+	

Total add-back amount for Management fees, etc. **633 + 634** =		**613**	+		
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in **473** from Ont. CT23 schedule 161		**615**	+		
Add any negative amount in **473** from Ont. CT23 Schedule 161		**616**	+		
Federal allowable business investment loss		**620**	+		
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*		**614**	+		
Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614			=	124,753	**640** 124,753
					Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under **675**)	**650**	+	123,516
Ontario cumulative eligible capital deduction	**651**	+	1,237
Federal taxable capital gain	**652**	+	
Ontario non-allowable reserves. Balance beginning of year	**653**	+	
Ontario allowable reserves. Balance end of year	**654**	+	
Federal non-allowable reserves. Balance end of year	**655**	+	
Federal allowable reserves. Balance beginning of year	**656**	+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	**657**	+	
Ontario depletion allowance	**658**	+	
Ontario resource allowance	**659**	+	
Ontario current cost adjustment *(Attach schedule)*	**661**	+	
Incentive for new electricity supply (section 13.6 deduction from income) (***Applies*** only to electrical generating corporations.)	**674**	+	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	**675**	+	
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	**681**		124,753
			Transfer to Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Continued from page 14

Net income (loss) for federal income tax purposes, per federal T2 SCH 1	From	**600**	±	59,536
Sub Total of Additions	From	**640**	=	124,753

Sub Total of deductions on page 14 From **681** = 124,753

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year **662**

ONTTI Gross-up deduction calculation:

From **662** Gross-up of CCA x 100/ **30** 100.0000 (Ontario allocation) - From **662** **663** =

Workplace Child Care Tax Incentive

Qualifying expenditures: **665** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **666** =

Workplace Accessibility Tax Incentive

Qualifying expenditures: **667** x 100% x 100/ **30** 100.0000 (Ontario Allocation) **668** =

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures **670** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **671** =

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures **672** x 15% x 100/ **30** 100.0000 (Ontario Allocation) **673** =

Ontario allowable business investment loss	**678**	+
Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161	**679**	+
Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)	**677**	+
Total of other deductions allowed by Ontario *(Attach schedule)*	**664**	+

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 124,753 **680** 124,753

Net income (loss) for Ontario purposes 600 + 640 - 680 **690** = 59,536

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	**700** (2) 8,137	**710** (2)	**720** (2)	**730**	**740**	**750**
Add: Current year's losses (7)	**701**	**711**	**721**	**731**	**741**	**751**
Losses from predecessor corporations (3)	**702**	**712**	**722**	**732**		**752**
Subtotal	**703**	**713**	**723**	**733**	**743**	**753**
Subtract: Utilized during the year to reduce taxable income	**704** (2) 8,137	**715** (2)(4)	**724** (2)	**734** (2)(4)	**744** (4)	**754** (4)
Expired during the year	**705**		**725**	**735**	**745**	
Carried back to prior years to reduce income (5)	**706** (2) To Pg 17	**716** (2) To Pg 17	**726** (2) To Pg 17	**736** (2) To Pg 17	**746**	
Subtotal	**707** 8,137	**717**	**727**	**737**	**747**	**757**
Balance at End of Year	**709** (8)	**719**	**729**	**739**	**749**	**759**

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				**850**	**870**
801				**851**	**871**
802				**852**	**872**
803	**820**	**830**	**840**	**853**	**873**
804	**821**	**831**	**841**	**854**	**874**
805 2000/12/31	**822**	**832**	**842**	**855**	**875**
806 2001/12/31	**823**	**833**	**843**	**856**	**876**
807 2002/12/31	**824**	**834**	**844**	**857**	**877**
808 2003/12/31	**825**	**835**	**845**	**858**	**878**
809 2004/12/31	**826**	**836**	**846**	**859**	**879**
Total	**829**	**839**	**849**	**869**	**889**

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Minister of Finance***.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	**910**	**920**	**930**	**940**
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
Predecessor Corporation's Account No. (MOF) / Taxation Year Ending	**911**	**921**	**931**	**941**
i) 3rd preceding **901** 2001/12/31				
	912	**922**	**932**	**942**
ii) 2nd preceding **902** 2002/12/31				
	913	**923**	**933**	**943**
iii) 1st preceding **903** 2003/12/31				
Total loss to be carried back	From **706**	From **716**	From **726**	From **736**
Balance of loss available for carryforward	**919**	**929**	**939**	**949**

Summary

Income Tax	From **230** or	**320**	+	7,196
Corporate Minimum Tax	From	**280**	+	
Capital Tax	From	**550**	+	
Premium Tax	From	**590**	+	
Total Tax Payable		**950**	=	
Subtract: **Payments**		**960**	-	2,000
Capital Gains Refund (s.48)		**965**	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		**985**	-	
Specified Tax Credits *(Refer to Guide)*		**955**	-	
Balance		**970**	=	(2,000)
If payment due	Enclosed *	**990**		
If overpayment: Refund *(Refer to Guide)*		**975**	=	2,000
Apply to		**980**		

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. (Refer to guide for other payment methods.)

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence Address
Alexandra Street

City
Hearst

Province	Country	Postal Code
ON		P0L 1N0

Signature

Date
2011/09/14

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file th CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No **Page 1 of 24**

Corporation's Legal Name *(including punctuation)*
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQU

Ontario Corporations Tax Account No. (MOF)
7334207

Mailing address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

This CT23 Return covers the Taxation Year
Start 2004/01/01
End 2004/12/31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of change

Date of Incorporation or Amalgamation
2000/11/02

Registered/Head Office Address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Ontario Corporation No. (MCBS) 7334207

Location of Books and Records
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Canada Customs and Revenue Agency Business No.
890534811RC0001

Name of person to contact regarding this CT23 Return
NICOLE LEDUC

Telephone No.
(705) 372-2815

Fax No.
( ) -

Jurisdiction Incorporated
ONTARIO

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)

City	Province	Country	Postal code

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced
Ceased
☒ ***Not Applicable***

Former Corporation Name (*Extra-Provincial Corporations only*) ☐ ***Not applicable*** (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s) 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check 1 this box. Schedule(s) A and K are not required (MCBS). ▶ ☐ **No Change**

Preferred Language / *Langue de préférence*
☒ English anglais ☐ French français

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person
NICOLE LEDUC

Title: D ☒ Director O ☐ Officer P ☐ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);
c) had no Ontario Corporations Tax payable for the taxation year;
d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act* (Canada));
e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed $5 million or whose total revenues exceed $10 million for the taxation year).

Signature	Title/Relationship to Corporation	Telephone number ( ) -	Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

NOTE 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

NOTE 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

1. If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
2. If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
3. If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items MUST be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is **also** being filed, completion of these fields is NOT necessary.

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation No. (MCBS)

3.Canada Customs and Revenue Agency Business No.
RC

A corporation **must file** an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, **within 6 months** after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		
X		(a)	The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents (nearest whole percentage) 100 %
X		(b)	The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (*Refer to guide)*
	X	(c)	The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
	X	(d)	The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution; OR The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each $3,000,000 or less and the corporation is not a financial institution.
X		(e)	The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
X		(f)	The corporation's Ontario allocation factor is 100%.

NOTE: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a), (b), (c), (e) and (f) above.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation - Please check (1) box(es) if applicable in sections 1 & 2

1

- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity
electrical utility

2

- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp s.47
- 4 [ ] Credit Union s.51
- 5 [ ] Bank Mortgage Subsidiary s.61(4)
- 6 [ ] Bank s.1(2)
- 7 [ ] Loan and Trust Corporation s.61(4)
- 8 [ ] Non-resident Corp s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corp s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-resident s.63(1)
- 16 [ ] Financial institutions prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Please check (1) box(es) if applicable:

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- [ ] Final Taxation Year up to Dissolution(wind-up) (Note: For discontinued businesses, see Guide.)
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s.249(4)

Date control was acquired: _____

Was the corporation inactive throughout the taxation year?		Yes [ ]	No [X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?		Yes [X]	No [ ]
Are you requesting a refund due to:	the Carry-back of a Loss?	Yes [ ]	No [X]
	an Overpayment?	Yes [X]	No [ ]
	a Specified Refundable Tax Credit?	Yes [ ]	No [X]
Are you a Member of a Partnership or a Joint Venture?		Yes [ ]	No [X]

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From	**690**	±	59,536
Subtract: Charitable donations		**1**	-	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*		**2**	-	
Subtract: Taxable dividends deductible, per federal T2 SCH 3		**3**	-	
Subtract: Ontario political contributions *(Attach schedule* 2A) (Int.B. 3002)		**4**	-	
Subtract: Federal Part VI.1 tax X 9/3		**5**	-	
Subtract: Prior years' losses applied - Non-capital losses	From	**704**	-	8,137
From **715** inclusion				
Net capital losses (page 16) X rate 50.000000 % =		**714**	-	
Farm losses	From	**724**	-	
Restricted farm losses	From	**734**	-	
Limited partnership losses	From	**754**	-	
Taxable income (Non-capital loss)		**10**	=	51,399
Addition to taxable income for unused foreign tax deduction for federal purposes		**11**	+	
Adjusted taxable income 10 + **11** (if **10** is negative, enter **11**)		**20**	=	51,399

Taxable Income

						Number of days in Taxation Year						
						Days after Sept 30, 2001 and before Jan 1, 2004		Total days				
From **10** (or **20**)	51,399	X **30**	100.0000 Ontario Allocation	% X 12.5 % X	**33**		÷	**73** 366	=	**29**	+	
						Days after Dec 31, 2003		Total days				
From **10** (or **20**)	51,399	X **30**	100.0000 Ontario Allocation	% X 14.0 % X	**34**	366	÷	**73** 366	=	**32**	+	7,196
Income Tax Payable (before deduction of tax credits) **29** + **32**										**40**	=	7,196

Incentive Deduction for Small Business Corporations (IDSBC)(s.41) ***(If this section is not completed, the IDSBC will be denied.)***

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (1) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			**50**	59,536
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	**51**	+		
Add: Losses of other years deducted for federal purposes (fed.s.111)	**52**	+	8,137	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	**53**	-	8,137	
		=	**54**	
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	**55**	+		

Ontario Business Limit Calculation

	Days after Sept. 30, 2001 and before Jan. 1, 2003						
280,000 X	**28**	÷ **	366	=+	**43**		
	Days after Dec. 31, 2002 and before Jan. 1, 2004						
320,000 X	**31**	÷ **	366	=+	**46**		
	Days after Dec. 31, 2003						
400,000 X	**34** 366	÷ **	366	=+	**47**	400,000	

*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

Business limit for Ontario purposes **43** + **46** + **47**	= **44**	400,000	X	**48**	100.0000 % =	**45**	400,000	
Income eligible for the IDSBC	From **30**	100.0000 % X	**56**			**60** =		
	****Ontario Allocation		Least of **50**, **54** or **45**					

* ***Note***: *Modified by s.41(6) and (7) for corporations that are members of a partnership.* ***(Refer to Guide.)***

** ***Note***: *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note***: *For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.*

**** ***Note***: *Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

			Number of Days in Taxation Year				
			Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
6.5 % X	**28**		÷	**73**		= **79** +	
			Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
7.0 % X	**31**		÷	**73**	366	= **89** +	
			Days after Dec 31, 2003		Total Days		
8.5 % X	**34**	366	÷	**73**	366	= **90** +	8.5000

IDSBC Rate for Taxation Year 79 + 89 + 90 **78** = 8.5000

Claim From **60** X From **78** 8.5000 % **70** =

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

***** Short Taxation Years -*** Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

**** Taxable Income of the corporation** From **10** (or **20** if applicable) **80** + 51,399

If you are a member of an associated group (1) **81** ☐ (Yes)

Taxable income of associated corporations *(Attach schedule)* **82** +

Aggregate Taxable Income **85** = 51,399

Number of days in Taxation Year

		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days					
Subtract:	280,000 X	**28**	÷	**73**		=	**113** +		
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days					
	320,000 X	**31**	÷	**73**	366	=	**115** +		
		Days after Dec 31, 2003		Total Days					
	400,000 X	**34** 366	÷	**73**	366	=	**116** +	400,000	
				113 + **115** + **116**		=		400,000 ▶	**114** - 400,000

(If negative, enter nil) **86** =

Calculation of Specified Rate for Surtax

			Number of Days in Taxation Year				
			Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
4.333% X	**28**		÷	**73**	366	= **95** +	
			Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
4.667% X	**31**		÷	**73**	366	= **96** +	
			Days after Dec 31, 2003		Total Days		
4.667% X	**34**	366	÷	**73**	366	= **97** +	4.6670

Specified rate of surtax for Taxation Year **95** + **96** + **97** **94** = 4.6670

From **86** X From **94** 4.6670 % = **87** =

From **87** X From **60** ÷ From **114** 400,000 **88** =

Surtax: Lesser of **70** or **88** **100** =

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)*

110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits		**120**	+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56**		-

Add: Adjustment for Surtax on Canadian-controlled private corporations

From **100** ÷ From **30** 100.0000 % ÷ From **78** 8.5000 % = **121**

*Ontario Allocation

Lesser of **56** or **121**		**122**	+
120 - **56** + **122**		**130**	=

Taxable income	From **10**	+	51,399
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From **56**	-	
Add: Adjustments for Surtax on Canadian-controlled private corporations	From **122**	+	
Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada	**140**	-	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	**141**	-	
10 - **56** + **122** - **140** - **141**	**142**	=	51,399

Claim

Number of Days in Taxation Year

143 X From **30** 100.0000 % X 1.5% X **33** ÷ **73** 366 = **154** +

Lesser of **130** or **142** *Ontario Allocation

Days after Sept 30, 2001 and before Jan 1, 2004 — Total Days

143 X From **30** 100.0000 % X 2.0% X **34** 366 ÷ **73** 366 = **156** +

Lesser of **130** or **142** *Ontario Allocation

Days after Dec 31, 2003 — Total Days

M&P claim for taxation year **154** + **156** **160** =

****Note**: Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations

161 =

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity

162 =

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule).* **170**

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible credit **175** Credit claimed **180**

Subtotal of Income Tax **40** - **70** + **100** - **110** - **160** - **161** - **162** -**170** - **180**

190 = 7,196

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible credit from **5620** OITC claim form *(Attach original Claim Form)* **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible credit from **5798** Summary Schedule F **192** +

Ontario Film and Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates from **6596**
194
Eligible Credit from **6598** Summary Schedule G **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form Certified by Ontario Media Development Corporation
(*Attach the original Claim/Certification Form with the CT23 Tax Return.*) **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit from **7300** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) CT Schedule 193/199, as applicable
(*Attach the original Certification/Claim Form received from the OMDC* ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.*) **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** Claim Form certified by Ontario Media Development Corporation
(*Attach original Claim/Certification Form.)* **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* **201** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 **220** =

Specified Tax Credits *Applied to reduce Income Tax* **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** (amount cannot be negative) **230** = 7,196

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on ***Page 17***.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B on ***Page 8***.

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.
* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	**240** +	6,350,026		
*** Total Revenue of the corporation**			**241** +	8,449,978
If you are a member of an associated group (1) **242** ☒ (Yes)				
Total Assets of associated corporations *(Attach schedule)*	**243** +			
Total Revenue of associated corporations *(Attach schedule)*			**244** +	
Aggregate Total Assets	**249** =	6,350,026		
Aggregate Total Revenue			**250** =	8,449,978

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on page 18.)*

Gross CMT Payable	CMT Base From	**2135** 51,000 (If negative, enter zero)	X	From	**30** 100.0000 % (Ontario Allocation)	X 4%	**276** =	2,040
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*							**277** -	
Subtract: Income Tax						From	**190** -	7,196
Net CMT Payable (if negative, enter Nil on page 17.)							**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from ***Page 7*** *to* ***Income Tax Summary, on Page 17***.

If **280** is less than zero and you have a CMT credit carryover, complete A & B below.

If **280** is greater than or equal to zero, transfer **230** to ***Page 17*** and transfer **280** to ***Page 17, and*** *to* ***Schedule D: Continuity of CMT Credit Carryovers****, on* ***Page 20.***

CMT Credit Carryover available	From	**2307**	

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)			From	**190** +	7,196
	Gross CMT payable	From **276** +	2,040			
	Subtract: Foreign Tax Credit for CMT purposes	From **277** -				
	If **276** - **277** is negative, enter NIL in **290**	=	2,040 ▶		**290** -	2,040
	Income Tax eligible for CMT Credit				**300** =	5,156
B.	Income Tax (after deduction of specified credits)			From	**230** +	7,196
	Subtract: CMT credit used to reduce income taxes				**310** -	
	Income Tax				**320** =	7,196

Transfer to Page 17

If A & B apply, **310** ***cannot exceed the lesser of*** **230, 300** ***and your CMT credit carryover available*** **2307**.

If only B applies, **310** ***cannot exceed the lesser of*** **230** ***and your CMT credit carryover available 2307.***

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines* 480 *and* 430 *on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in* 480 *and* 430 *are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in* 480 *and* 430 *are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	**350**	+	
Retained earnings (if deficit, deduct) (Int.B. 3012)	**351**	±	
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	**352**	+	
Loans and advances *(Attach schedule)*(Int.B. 3013)	**353**	+	
Bank loans (Int.B. 3013)	**354**	+	
Bankers acceptances (Int.B. 3013)	**355**	+	
Bonds and debentures payable (Int.B. 3013)	**356**	+	
Mortgages payable (Int.B. 3013)	**357**	+	
Lien notes payable (Int.B. 3013)	**358**	+	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	**359**	+	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	**360**	+	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	**361**	+	
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	**362**	+	
Subtotal	**370**	=	
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	**371**	-	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	**372**	-	
Total Paid-up Capital	**380**	=	
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	**381**	-	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	**382**	-	
Net Paid-up Capital	**390**	=	

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	**402**	+	
Mortgages due from other corporations	**403**	+	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	**404**	+	
Loans and advances to unrelated corporations	**405**	+	
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	**406**	+	
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	**407**	+	
Total Eligible Investments	**410**	=	

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	**420**	+	6,350,026
Mortgages or other liabilities deducted from assets	**421**	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	**422**	+	
Subtract: Investment in partnership(s)/joint venture(s)	**423**	-	
Total Assets as adjusted	**430**	=	6,350,026
Amounts in **360** and **361** (if deducted from assets)	**440**	+	
Subtract: Amounts in **371**, **372** and **381**	**441**	-	
Subtract: Appraisal surplus if booked	**442**	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	**443**	±	
Total Assets	**450**	=	6,350,026

Investment Allowance (**410** ÷ **450**) X **390** — **Not to exceed 410**	**460**	=	
Taxable Capital **390** - **460**	**470**	=	

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	8,449,978			
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*				
Aggregate of Gross Revenue	8,449,978	**480**		8,449,978
Total Assets (as adjusted)	From	**430**		6,350,026

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below**.

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11. and if applicable, complete Section D or Section E on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in **550** on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership

B1. If the taxation year commences after September 30, 2001 and **430** and **480** on page 10 are both $3,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

B2. If taxable capital, **470** on page 10, is **$5,000,000 or less**, enter NIL in **550** on page 12 and complete the return from that point.

B3. If taxable capital, **470** on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount from **523** to **543** on page 12, and complete the return from that point.

+ From **470** _____

\- _____

= **471** _____ x From **30** _____ x 0.3% x **555** _____ = **523** + _____

Ontario Allocation — Days in taxation year / **365/366 — *Transfer to 543 on page 12 and complete the return from that point***

**** If floating taxation year, refer to Guide**.

continued on Page 11

Capital Tax Calculation *continued from page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ **509** (1 if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada**.
If taxable capital **470** on page 10 is $5,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.
If taxable capital **470** on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in **542** Section D, and complete Section D and the return from that point

C2. ☒ **524** (1 if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada**
If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.
If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation ***Do NOT complete this calculation if ss.69(2.1) election is filed***

Taxable Capital form **470** on page 10	From	**470**	+

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**531**	+
Total Aggregate Taxable Capital **470 + 531**	**540**	=

If **540** above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in **523** in section D on page 12, as applicable.
If **540** above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From **470** _____ ÷ From **540** _____ X 5,000,000 **541** =

Transfer to Section 542 in D on page 12

Ss.69(2.1) Election Filed

☐ **591** (1 if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return***.
Proceed to **Section E** on page 12.

Capital Tax Calculation *continued from page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 on *page 11* exceeds $5,000,000.

Complete the following calculation and transfer the amount From **523** to **543**, and complete the return from that point.

+ From	**470**											
-	**542**											
=	**471**		x	From	**30**	%	x 0.3% x		**555**	=	**523** +	**Total Capital Tax for the taxation year**
					Ontario Allocation			Days in the taxation year	** (365/366)			

Transfer to 543 and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From **470**		X From	**30**	x 0.3%	= **561** +	
-	Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form					From **995** -	
						562 =	

Capital Tax	**562**		X	Days in taxation year **555**	=	**563** +	
				** (365/366)			

Transfer to 543 and complete the return from that poin

**** If floating taxation year, refer to Guide**

Capital Tax *before application of specified credits*		**543** =	
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*		**546** -	
Capital Tax **543 - 546** *(amount cannot be negative)*		**550** =	

Transfer to page 17

Capital Tax *continued from page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

I.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ x 0.6% x From **30** _____ % x (Days in taxation year) **555** _____ ÷ **365/366 = **569** +

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation

570 _____ x **571** _____ x From **30** _____ % x (Days in taxation year) **555** _____ ÷ **365/366 = **574** +

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575** =

***** If floating taxation year, refer to Guide***.

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** -

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (1) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** =

*Transfer to **543** on Page 12*

Premium Tax (s.74.2 & 74.3) *(refer to Guide)*

(1) Uninsured Benefits Arrangements **587** _____ x 2% **588** =

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to guide)* **589** -

Premium Tax 588 - 589 **590** =

Transfer to Page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1	**600**	±	59,536
			Transfer to Page 15

Add:

Federal capital cost allowance	**601**	+	123,516
Federal cumulative eligible capital deduction	**602**	+	1,237
Ontario taxable capital gain	**603**	+	
Federal non-allowable reserves. Balance beginning of year	**604**	+	
Federal allowable reserves. Balance end of year	**605**	+	
Ontario non-allowable reserves. Balance end of year	**606**	+	
Ontario allowable reserves. Balance beginning of year	**607**	+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	**608**	+	
Federal resource allowance	**609**	+	
Federal depletion allowance	**610**	+	
Federal foreign exploration and development expenses	**611**	+	

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2004		Total days				
612		X 5/12.5 X	**33**	÷	**73** 366	=	**633**	+	
			Days after Dec. 31, 2003		Total days				
612		X 5/14.0 X	**34** 366	÷	**73** 366	=	**634**	+	

Total add-back amount for Management fees, etc. **633 + 634** =		**613**	+		
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in **473** from Ont. CT23 schedule 161		**615**	+		
Add any negative amount in **473** from Ont. CT23 Schedule 161		**616**	+		
Federal allowable business investment loss		**620**	+		
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*		**614**	+		
Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614			=	124,753	**640** 124,753
					Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under **675**)	**650**	+	123,516
Ontario cumulative eligible capital deduction	**651**	+	1,237
Federal taxable capital gain	**652**	+	
Ontario non-allowable reserves. Balance beginning of year	**653**	+	
Ontario allowable reserves. Balance end of year	**654**	+	
Federal non-allowable reserves. Balance end of year	**655**	+	
Federal allowable reserves. Balance beginning of year	**656**	+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	**657**	+	
Ontario depletion allowance	**658**	+	
Ontario resource allowance	**659**	+	
Ontario current cost adjustment *(Attach schedule)*	**661**	+	
Incentive for new electricity supply (section 13.6 deduction from income) (***Applies*** only to electrical generating corporations.)	**674**	+	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	**675**	+	
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	**681**		124,753
			Transfer to Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Continued from page 14

Net income (loss) for federal income tax purposes, per federal T2 SCH 1	From	**600**	±	59,536
Sub Total of Additions	From	**640**	=	124,753

Sub Total of deductions on page 14 From **681** = 124,753

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year **662**

ONTTI Gross-up deduction calculation:

From **662** Gross-up of CCA x 100/ **30** 100.0000 (Ontario allocation) - From **662** **663** =

Workplace Child Care Tax Incentive

Qualifying expenditures: **665** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **666** =

Workplace Accessibility Tax Incentive

Qualifying expenditures: **667** x 100% x 100/ **30** 100.0000 (Ontario Allocation) **668** =

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures **670** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **671** =

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures **672** x 15% x 100/ **30** 100.0000 (Ontario Allocation) **673** =

Ontario allowable business investment loss	**678**	+
Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161	**679**	+
Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)	**677**	+
Total of other deductions allowed by Ontario *(Attach schedule)*	**664**	+

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 124,753 **680** 124,753

Net income (loss) for Ontario purposes 600 + 640 - 680 **690** = 59,536

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	**700** (2) 8,137	**710** (2)	**720** (2)	**730**	**740**	**750**
Add: Current year's losses (7)	**701**	**711**	**721**	**731**	**741**	**751**
Losses from predecessor corporations (3)	**702**	**712**	**722**	**732**		**752**
Subtotal	**703**	**713**	**723**	**733**	**743**	**753**
Subtract: Utilized during the year to reduce taxable income	**704** (2) 8,137	**715** (2)(4)	**724** (2)	**734** (2)(4)	**744** (4)	**754** (4)
Expired during the year	**705**		**725**	**735**	**745**	
Carried back to prior years to reduce income (5)	**706** (2) To Pg 17	**716** (2) To Pg 17	**726** (2) To Pg 17	**736** (2) To Pg 17	**746**	
Subtotal	**707** 8,137	**717**	**727**	**737**	**747**	**757**
Balance at End of Year	**709** (8)	**719**	**729**	**739**	**749**	**759**

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				**850**	**870**
801				**851**	**871**
802				**852**	**872**
803	**820**	**830**	**840**	**853**	**873**
804	**821**	**831**	**841**	**854**	**874**
805 2000/12/31	**822**	**832**	**842**	**855**	**875**
806 2001/12/31	**823**	**833**	**843**	**856**	**876**
807 2002/12/31	**824**	**834**	**844**	**857**	**877**
808 2003/12/31	**825**	**835**	**845**	**858**	**878**
809 2004/12/31	**826**	**836**	**846**	**859**	**879**
Total	**829**	**839**	**849**	**869**	**889**

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Minister of Finance***.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	**910**	**920**	**930**	**940**
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
Predecessor Corporation's Account No. (MOF) / Taxation Year Ending	**911**	**921**	**931**	**941**
i) 3rd preceding **901** 2001/12/31				
	912	**922**	**932**	**942**
ii) 2nd preceding **902** 2002/12/31				
	913	**923**	**933**	**943**
iii) 1st preceding **903** 2003/12/31				
Total loss to be carried back	From **706**	From **716**	From **726**	From **736**
Balance of loss available for carryforward	**919**	**929**	**939**	**949**

Summary

Income Tax	From **230** or	**320**	+	7,196
Corporate Minimum Tax	From	**280**	+	
Capital Tax	From	**550**	+	
Premium Tax	From	**590**	+	
Total Tax Payable		**950**	=	
Subtract: **Payments**		**960**	-	2,000
Capital Gains Refund (s.48)		**965**	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		**985**	-	
Specified Tax Credits *(Refer to Guide)*		**955**	-	
Balance		**970**	=	(2,000)
If payment due	Enclosed *	**990**		
If overpayment: Refund *(Refer to Guide)*		**975**	=	2,000
Apply to		**980**		

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. (Refer to guide for other payment methods.)

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence Address
Alexandra Street

City
Hearst

Province	Country	Postal Code
ON		P0L 1N0

Signature

Date
2011/09/14

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net income/(loss) (unconsolidated, determined in accordance with GAAP)				**2100** ±	40,975
Subtract (to the extent reflected in net income/loss):					
Provision for recovery of income taxes / benefit of current income taxes	**2101** +				
Provision for deferred income taxes (credits) / benefit of future income taxes	**2102** +				
Equity income from corporations	**2103** +				
Share of partnership(s)/joint venture(s) income	**2104** +				
Dividends received/receivable deductible under fed.s.112	**2105** +				
Dividends received/receivable deductible under fed.s.113	**2106** +				
Dividends received/receivable deductible under fed.s.83(2)	**2107** +				
Federal Part VI.1 tax on dividends declared and paid, under fed.s.191.1(1) x 9/3 =	**2108** +				
Subtotal		=		**2109** -	
Add (to extent reflected in net income/loss):					
Provision for current taxes / cost of current income taxes	**2110** +	10,025			
Provision for deferred income taxes (debits) / cost of future income taxes	**2111** +				
Equity losses from corporations	**2112** +				
Share of partnership(s)/joint venture(s) losses	**2113** +				
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	**2114** +				
Subtotal		=	10,025	**2115** +	10,025
Add/Subtract:					
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years					
** Fed.s.85	**2116** +	or	**2117** -		
** Fed.s.85.1	**2118** +	or	**2119** -		
** Fed.s.97	**2120** +	or	**2121** -		
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	**2122** +	or	**2123** -		
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	**2124** +	or	**2125** -		
** Amounts relating to s.57.10 election/ regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	**2126** +	or	**2127** -		
Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			**2150** -		
Subtotal (Additions)	=			**2128** +	
Subtotal (Subtractions)		=		**2129** -	
** Other adjustments				**2130** ±	
Subtotal ± **2100** - **2109** + **2115** + **2128** - **2129** ± **2130**				**2131** =	51,000
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss				**2132** ±	
Adjusted net income (loss) (if loss, transfer to **2202** in **Schedule B**)				**2133** =	51,000
Deduct: CMT losses: pre-1994 Loss * From	**2210** +				
CMT losses: other eligible losses *	**2211** +				
	=			**2134** -	

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this tax return.

CMT Base	**2135** =	51,000

Transfer to CMT Base on page 8

Corporate Minimum Tax (CMT)

Schedule B: Continuity of CMT Losses Carried Forward

CMT loss continuity by year

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
Totals							

Balance at Beginning of year (1), (2) **2201** +

Add:
- Current year's losses **2202** +
- Losses from predecessor corporations on amalgamation (3) **2203** +
- Losses from predecessor corporations on wind-up (3) **2204** +
- Amalgamation (1) **2205** ☐ Yes Wind-up (1) **2206** ☐ Yes

Subtotal = **2207** +

Adjustments (attach schedule) **2208** ±

CMT losses available 2201 + 2207 ± 2208 **2209** =

Subtract:
- Pre-1994 loss utilized during the year to reduce adjusted net income **2210** +
- Other eligible losses utilized during the year to reduce adjusted net income (4) **2211** +
- Losses expired during the year **2212** +

Subtotal = **2213** -

Balances at End of Year (5) **2209** - **2213** **2214** =

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisitions of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income **2133** and CMT losses available **2209**.

(5) Amount in **2214** must equal sum of **2270** and **2290**.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year-end before your corporation's first taxation year commencing after 1993.

Year of Origin (oldest year first)	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	**2260**	**2280**
2241	**2261**	**2281**
2242	**2262**	**2282**
2243	**2263**	**2283**
2244	**2264**	**2284**
2245 2000/12/31	**2265**	**2285**
2246 2001/12/31	**2266**	**2286**
2247 2002/12/31	**2267**	**2287**
2248 2003/12/31	**2268**	**2288**
2249 2004/12/31	**2269**	**2289**
Totals	**2270**	**2290**

The sum of amounts 2270 + 2290 must equal amount in 2214.

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers

CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
Totals							

Balance at Beginning of year (1) **2301** +

Add: Current year's CMT Credit (**280** on page 8. If negative, enter NIL) From **280** +

CMT Credit Carryovers from predecessor corporations (2) **2302** +

Amalgamation (1) **2303** ☐ Yes Wind-up (1) **2304** ☐ Yes

Subtotal = **2305** +

Adjustments *(Attach schedule)* **2306** ±

CMT credit carryover available 2301 + 2305 ± 2306 **2307** =

Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8) From **310** +

CMT credit expired during the year **2308** +

Subtotal = **2309** -

Balance at End of Year (3) **2307** - **2309** **2310** =

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in **2310** must equal the sum of **2370** + **2390**.

Schedule E: Analysis of CMT Credit Carryovers Year-End Balance by Year of Origin

Year of Origin (oldest year first)		CMT Credit Carryovers of Corporation		CMT Credit Carryovers of Predecessor Corporations	
2340		**2360**		**2380**	
2341		**2361**		**2281**	
2342		**2362**		**2382**	
2343		**2363**		**2383**	
2344		**2364**		**2384**	
2345		**2365**		**2385**	
2346	2001/12/31	**2366**		**2386**	
2347	2002/12/31	**2367**		**2387**	
2348	2003/12/31	**2368**		**2388**	
2349	2004/12/31	**2369**		**2389**	
Totals		**2370**		**2390**	

The sum of amounts 2370 and 2390 must equal the amount in 2310.

OS4
Schedule 4

Ontario loss continuity

Part 1 - Non-capital loss

Determination of current-year non-capital loss

Net income (loss) for Ontario tax purposes		59,536
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter a positive amount)		
Taxable dividends deductible under ITA sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Subtotal - if positive, enter "0"		
Deduct: (increase a loss)		
ITA Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions		
Add: (decrease a loss) Subtotal		
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		

Continuity of non-capital losses and request for a carryback

Non-capital loss at end of preceding taxation year	8,137	
Deduct: Non-capital loss expired	-	
Non-capital losses at beginning of taxation year	= 8,137	8,137
Add: Non-capital losses transferred on an amalgamation or the wind-up of a subsidiary corporation		+
Current-year non-capital loss (from calculation above)		
Deduct - Request to carry back non-capital loss to:		
First preceding taxation year to reduce taxable income		
Second preceding taxation year to reduce taxable income		
Third preceding taxation year to reduce taxable income		
Current-year non-capital loss net of carryback		+
Subtotal		= 8,137
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)	8,137	
Section 80 - adjustments for forgiven amounts		
Other adjustments		
	8,137	- 8,137
Non-capital losses - Closing balance		=

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

		Gross amount
Capital losses at end of preceding taxation year		
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation		+
Current-year capital loss		+
Subtotal		=
Add:		
Allowable business investment loss expired as a non-capital loss	X 4/3	+
Subtotal		=
Deduct:		
Amount applied against current year capital gain		-
Section 80 adjustments for forgiven amounts		-
Other adjustments		-
Subtotal		=

Deduct - Request to carry back capital loss to:

	Loss applied		Inclusion rate		Total
First preceding taxation year		÷	50.0000 %	=	
Second preceding taxation year		÷	50.0000 %	=	
Third preceding taxation year		÷	50.0000 %	=	
			Subtotal		-
Capital losses - Closing balance					=

OS4
Schedule 4

Ontario loss continuity

Part 3 - Farm loss

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		
Deduct: Farm loss expired after 10 taxation years	-	
Farm losses at beginning of taxation year	=	
Add: Farm losses transfered on an amalgamation or the windup of a subsidiary corporation		+
Current-year farm loss		
Deduct - Request to carry back farm loss to:		
First preceding taxation year to reduce taxable income		
Second preceding taxation year to reduce taxable income		
Third preceding taxation year to reduce taxable income		
Subtotal		
Current-year farm loss net of carryback		+
Subtotal		=
Deduct:		
Amount applied against taxable income (enter on line 724 of the CT23)		
Section 80 - Adjustments for forgiven amounts		
Other adjustments		
		-
Farm losses - Closing balance		=

Part 4 - Restricted farm loss

Current-year restricted farm loss

Total losses for the year from farming business			**A**
Minus the deductible farm loss:			
$2,500 plus B or C, whichever is less			
(Amount A above – $2,500) divided by 2	**B**		
Maximum	**C**	6,250	
Deductible farm loss			-
Current-year restricted farm loss			

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		
Deduct: Restricted farm loss expired after 10 taxation years	-	
Restricted farm losses at beginning of taxation year	=	
Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation		+
Current-year restricted farm loss		
Deduct – Request to carry back restricted farm loss to:		
First preceding taxation year to reduce farming income		
Second preceding taxation year to reduce farming income		
Third preceding taxation year to reduce farming income		
Current-year restricted farm loss net of carryback		+
Deduct:		
Amount applied against taxable income (enter on line 734 of the CT23)		
Section 80 – Adjustments for forgiven amounts		
Other adjustments		
		-
Restricted farm losses - Closing balance		=

OS4
Schedule 4

Ontario loss continuity

Part 5 - Listed personal property loss

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			
Deduct: Listed personal property losses expired after seven taxation years			
Listed personal property losses at beginning of taxation year			
Current-year listed personal property loss			
Deduct – Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains			
Second preceding taxation year to reduce listed personal property gains			
Third preceding taxation year to reduce listed personal property gains			
Listed personal property losses net of carryback			+
		Subtotal	=
Deduct:			
Amount applied against listed personal property gain			-
Other adjustments			-
Limited personal property losses - Closing balance			=

Part 6 – Analysis of balance of losses by year of origin

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31				
2002/12/31				
2003/12/31				
2004/12/31				
Total				

* The carryforward period for non-capital losses arising in a taxation year ending after March 22, 2004, is changed from 7 to 10 taxation years.

Part 7 - Continuity of limited partnership losses

Partnership identifier		Losses at end of preceding taxation year	Losses transferred from amalgamation or windup of subsidiary	Current-year limited partnership loss	Limited partnership losses applied	Limited partnership losses closing balance
Total (enter this amount on line 754 of the CT23)						

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Capital Cost Allowance
Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST	7334207	2004/12/31

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	127,234	15,800			143,034	7,900	135,134	4			5,405	137,629
2	980,788	11,763			992,551	5,882	986,669	6			59,200	933,351
8	7,260				7,260		7,260	20			1,452	5,808
10	25,818				25,818		25,818	30			7,745	18,073
8	32,912	13,411			46,323	6,706	39,617	20			7,923	38,400
10	75,866				75,866		75,866	30			22,760	53,106
36	7,600				7,600		7,600					7,600
12	17,836				17,836		17,836	100			17,836	
45		5,313			5,313	2,657	2,656	45			1,195	4,118
Totals	1,275,314	46,287				23,145	1,298,456				123,516	1,198,085

Enter in box **650** on the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Cumulative Eligible Capital Deduction
Schedule 10

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBU	(MBU) 7334207	2004/12/31

- **For use by a corporation that has eligible capital property.**
- **A separate cumulative eligible capital account must be kept for each business.**

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year *(if negative, enter zero)*				17,672	A
Add: Cost of eligible capital property acquired during the taxation year	+		B		
Amount transferred on amalgamation or wind-up of subsidiary	+		C		
Other adjustments	+		D		
Total of B + C + D	=		x 3/4=		E
Subtotal A + E			=	17,672	F
Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada)	+		H		
Other adjustments	+		I		
Total of G + H + I	=		x 3/4=		J
Ontario cumulative eligible capital balance F - J			=	17,672	K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 17,672 K x 7%* = 1,237 L

The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* *Enter amount in box **651 of the CT23*

Ontario cumulative eligible capital - closing balance K - L *(if negative, enter zero)* = 16,435 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Complete this part only if the amount at line K is negative

Amount from line K above *show as a positive amount*				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988			1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)			2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988		3		
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988		4		
Line **3** deduct line **4**			5	
Total lines **1 + 2 + 5**			6	
Line **T** from previous Ontario Schedule 10 for taxation years ending after February 27, 2000			7	
Deduct line **7** from line **6**				O
N - O *(cannot be negative)*				P
Amount on line **5**		x 1/2		Q
P - Q				R
Amount on line **R**	x 66.6667			S
Lesser of line **N** or line **O**				T
Amount to be included in income S + T				

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate **S**

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE [illegible]	7338207	2004/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
HEARST POWER SALES AND SERVICES COMPANY LIMITED	1800108	2004/12/31	
		Aggregate of taxable capital	

Transfer to **540** of the CT23

Ontario

Ministry of Finance
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Authorizing or Cancelling a Representative

Complete this form to:

- **authorize** the release of confidential information about the Corporations Tax, Mining Tax or Electricity Act account(s) to the representative named below.
- **cancel** an existing authorization.

Part 1 Client Information

Legal name: HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION D

Phone number: ( ) -

Mailing address
Apt./Suite/Unit no. Street number and name / PO Box, RR

City | Province/Territory | Postal code

This authorization applies to the following statute(s) and account number(s).

- ☐ Corporations Tax Act 7334207
- ☐ Mining Tax Act
- ☐ Electricity Act

Part 2 Authorize the release of information to a representative

Name of representative (If a firm, name of firm.)

Phone number: ( ) -

Fax number: ( ) -

Mailing address
Apt./Suite/Unit no. Street number and name / PO Box, RR

City | Province/Territory | Postal code

If your representative is a firm, and you want a specific person in the firm to represent you, state their name and title.
If you do not identify a specific individual in the firm, you are authorizing the Ministry of Finance to deal with anyone from that firm.

Title

Part 3 Authorization scope and applicable years

☒ Representative to **deal fully** on your behalf with the Ministry of Finance.

or

☐ Representative to **deal in a limited manner** on your behalf, for matters specified here. (e.g., account inquiry, applications, annual returns, payments, etc.) ▼

☒ Representative to act for **all years**, including all previous and future years.

or

☐ Representative to act for **specific year or years** (describe). ▼

Part 4 Cancel the release of information to a representative

Name of representative (If a firm, name of firm.)
Last | First

If your representative is an individual within a firm, state their name and title.

Name of person in firm
Last | First

Title

Part 5 Signature *This form will not be accepted unless it is completed fully, signed and dated.*

I authorize the Ministry of Finance to:

- release confidential information about the tax accounts specified in Part 1 and to deal with the representative named in Part 2 in the manner described in Part 3; and/or
- cancel an existing authorization as described in Part 4.

Name
Last: | First: NICOLE LEDUC

Title / Relationship to Corporation: Manager

Phone number: (705) 372-2815

Signature

Date: 2011/09/14

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 642
33 King Street West
Oshawa ON L1H 8T1

CT23 - Certification Form Diskette Filing

Return I.D. # _____ *(Ministry Use Only)*

Corporations Tax Account Number
7334207

Please check appropriate boxes if applicable:

- ☐ First year of filing
- ☐ Amended return
- ☐ Taxation year end has changed (approval by CCRA required)
- ☐ Exempt from filing
- ☐ Final taxation year up to Dissolution
- ☐ Final taxation year before Amalgamation
- ☐ Floating Fiscal year end
- ☒ Subject to CMT
- ☐ Change of Control fed.s.249(4)

Date Control was acquired: _____

Date of incorporation
2000/11/02

Return for taxation year
Start 2004/01/01
End 2004/12/31

CCRA Business No.
890534811RC0001

Jurisdiction Incorporated
ONTARIO

Corporation's legal name and mailing address — Change of information? Yes ☐ No ☒

HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST
Care of

Address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Transmitter Details

Transmitter number
Transmitter name
Name of person to contact COLLINS BARROW
Telephone number (705) 362-4261
Facsimile number (705) 362-4641
Transmitter Address 1021 GEORGE STREET P.O. BOX 637
HEARST, ON P0L 1N0
Disk Reference Number

Aggregate of Total Revenue	**210**	8,449,978
Aggregate of Total Assets	**209**	6,350,026
Taxable Income (Non-capital Loss)	**10**	51,399
Total Tax Payable	**950**	
Payments:	**990**	2,000
Enclosed:		
Apply to: Year		
Apply Amount:		

975 Refund: Yes ☒ No ☐
If Yes, Due to:
Loss Carryback: Yes ☐ No ☒
Overpayment: Yes ☒ No ☐
Refundable tax credit Yes ☐ No ☒

Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this Return, has been examined by me and is a true, correct and complete Return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence address
Alexandra Street

City
Hearst

Province	Country	Postal code
ON		P0L 1N0

Signature

Phone Number	Date
(705) 372-2815	2011/09/14

ProFile Version 2004.4.0 Approval code 051D

Payment Advice

Corporations Tax Account Number	7334207
Date of Incorporation	2000/11/02
Corporation Name	
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION D	

Enter the amount of payment and indicate taxation year.

Taxation Year End	Payment amount
	$
2004/12/31	$
Total Payment	$

Submit your cheque (drawn on a Canadian financial institution) or money order in Canadian Funds, payable to: The Minister of Finance

Send to: Ontario Ministry of Finance
Corporations Tax Branch
P.O. Box 642
33 King Street West
Oshawa ON L1H 8T1

Incomplete information will result in a delay processing an assessment.

OInstalments

Ontario tax instalments

Instalment base

Year-end	Estimate for current year 2005/12/31	First instalment base 2004/12/31	Second instalment base 2003/12/31
Taxable income		51,399	
Base amount of tax		7,196	
Small business tax credit			
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
Income tax payable		7,196	
Corporate minimum tax payable			
Capital tax payable			
Premium tax payable			
Total tax payable		7,196	
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		7,196	
Estimated tax credits for the current year			
Instalment base		7,196	
Monthly payment		600	
Quarterly payment		1,799	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
- ☐ 2. based on the first instalment base
- ☒ 3. based on the first and second instalment base
- ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2005/01/31			
2005/02/28			
2005/03/31			
2005/04/30			
2005/05/31			
2005/06/30	2,399		
2005/07/31			
2005/08/31			
2005/09/30	2,399		
2005/10/31			
2005/11/30			
2005/12/31	2,399		
Total	7,197		

Canada Revenue Agency | Agence du revenu du Canada

Shawinigan-Sud QC G9N 7S6

HEARST POWER DISTRIBUTION
COMPANY LIMITED/CORPORATION DE
925 ALEXANDRA STREET
P O BAG 5000
HEARST ON P0L 1N0

Date of mailing	May 11, 2006
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2005

0002409

CORPORATION NOTICE OF ASSESSMENT

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment :	$	0.00
Prior balance:	$	0.00
Total balance:	$	0.00

Please refer to the Summary and Explanation for additional information.

HEARST POWER DISTRIBUTION COMPANY
LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

Date of mailing	May 11, 2006
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2005

CORPORATION NOTICE OF ASSESSMENT

SUMMARY OF ASSESSMENT

	$ Reported	$ Assessed
Federal Tax:		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
Total Federal Tax:		$ 0.00
Net balance:		$ 0.00
Result of this assessment:		$ 0.00
Prior balance:		$ 0.00
Total balance:		$ 0.00

Michel Dorais
Commissioner of Revenue

EXPLANATION

We have revised the taxable income for the purpose of the small business deduction to $12,767.00, to correct a mathematical error.

We have revised the business limit to $300,000.00, to agree with the amount allocated to the corporation on Schedule 23, "Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit."

You are required to keep adequate records, including those produced electronically, either in French or in English within Canada. These records must provide sufficient details to determine tax obligations and entitlements and must be maintained at your place of business for a period of six years unless you obtain permission to dispose of them. If you have any questions concerning record keeping practices, please contact the nearest CRA tax services office.

Please visit our Web site at www.cra.gc.ca/requests-business for information about online requests available to business clients. This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

Did you know you may be eligible to file your return using our Corporation Internet Filing service. For information on eligibility criteria and the service in general, please visit www.cra.gc.ca/corporation-internet.

Canada Revenue Agency | Agence du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the Income Tax Act. This return may contain changes that had not yet become law at the time of printing. For more information on how to complete the return, see the *T2 Corporation – Income Tax Guide (T4012)*.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's tax year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 Do not use this area

Identification

Business number (BN) **001** 89053 4811 RC 0001

Corporation's name

002 HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

Has the corporation changed its name since the last time we were notified? **003** ☐ Yes ☒ No

If *Yes*, do you have a copy of the articles of amendment? **004** ☐ Yes ☐ No

Address of head office

Has this address changed since the last time we were notified? **010** ☐ Yes ☒ No

(If Yes, complete lines 011 to 018)

011 P.O. BAG 5000

012

City: **015** HEARST

Province, territory, or state: **016** ON

Country (other than Canada): **017**

Postal code/Zip code: **018** P0L 1N0

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? **020** ☐ Yes ☒ No

(If Yes, complete lines 021 to 028)

021 c/o

022 P.O. BAG 5000

023

City: **025** HEARST

Province, territory, or state: **026** ON

Country (other than Canada): **027**

Postal code/Zip code: **028** P0L 1N0

Location of books and records

Has the location of books and records changed since the last time we were notified? **030** ☐ Yes ☒ No

(If Yes, complete lines 031 to 038)

031 P.O. BAG 5000

032

City: **035** HEARST

Province, territory, or state: **036** ON

Country (other than Canada): **037**

Postal code/Zip code: **038** P0L 1N0

040 Type of corporation at the end of the tax year

1 ☒ Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change **043**

To which tax year does this return apply?

From **060** 2005/01/01 to **061** 2005/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? **063** ☐ Yes ☒ No

If *Yes,* provide the date control was acquired **065**

Is the corporation a professional corporation that is a member of a partnership? **067** ☐ Yes ☒ No

Is this the first year of filing after:

Incorporation? **070** ☐ Yes ☒ No

Amalgamation? **071** ☐ Yes ☒ No

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year?

If *Yes*, complete and attach Schedule 24 **072** ☐ Yes ☒ No

Is this the final tax year before amalgamation? **076** ☐ Yes ☒ No

Is this the final return up to dissolution? **078** ☐ Yes ☒ No

Is the corporation a resident of Canada? **080** ☒ Yes ☐ No

If *No*, give the country of residence on line 081 and complete and attach Schedule 97. **081**

Is the non-resident corporation claiming an exemption under an income tax treaty? **082** ☐ Yes ☒ No

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☒ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
100					

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules - Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		-----
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233		33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236		36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

*** We do not print this schedule.**

Attachments - Continued from page 2

Attachments - Continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	☐	T1134-A
Did the corporation have any controlled foreign affiliates?	258	☐	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	260	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	☐	T1174

Additional information

Is the corporation inactive?	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes ☐	2 No ☒

What is the corporation's major business activity? 282

(Only complete if *Yes* was entered at line 281.)

If the major business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	ELECTRICAL UTILITY	285	100.000 %
	286		287	%
	288		289	%

Did the corporation immigrate to Canada during the tax year?	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the tax year?	292	1 Yes ☐	2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI		300	12,767	A
Deduct: Charitable donations from Schedule 2	311			
Gifts to Canada, a province, or a territory from Schedule 2	312			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction from Schedule 43 *	325			
Non-capital losses of preceding tax years from Schedule 4	331			
Net capital losses of preceding tax years from Schedule 4	332			
Restricted farm losses of preceding tax years from Schedule 4	333			
Farm losses of preceding tax years from Schedule 4	334			
Limited partnership losses of preceding tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal			▶	B
Subtotal (amount A minus amount B) (if negative, enter "0")			12,767	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions		355		D
Taxable income (amount C plus amount D)		360	12,767	
Income exempt under paragraph 149(1)(t)		370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)				Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7 — **400** — 12,767 — A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632 on page 7, **minus** 3 times the amount on line 636 on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax — **405** — B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

$250,000 x (Number of days in the tax year in 2004 / Number of days in the tax year (365)) = 1

$300,000 x (Number of days in the tax year in 2005 and in 2006 / Number of days in the tax year (365)) = 300,000 2

$400,000 x (Number of days in the tax year after 2006 / Number of days in the tax year (365)) = 3

Add amounts at lines 1, 2, and 3 — 300,000 4

Business limit (see notes 1 and 2 below) — **410** — C

Notes:1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C ____ X **415** D / 11,250 = ____ E

Reduced business limit (amount C minus amount E) (if negative, enter "0") — **425** — 0 — F

Small business deduction – 16% of whichever amount is the least: A, B, C, or F — **430** — 0 — G

(enter amount G on line 9 of page 7)

Accelerated tax reduction

(For tax years ending before January 1, 2006)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ____ x ____ = ____ a

Net active business income (amount from line 400)* ____ b

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ____ c

Deduct:

Aggregate investment income (amount from line 440 of page 6) ____ d

Amount c minus amount d (if negative, enter "0") ____ ▶ ____ e

Amount a, b, or e above, whichever is less ____ f

Amount Z from Part 9 of Schedule 27 ____ x 100 / 7 = ____ g

Amount QQ from Part 13 of Schedule 27 ____ h

Taxable resource income from line 435 on page 5 ____ i

Amount used to calculate the credit union deduction (amount e in Part 3 of Schedule 17) ____ j

Amount on line 400, 405, 410 or 425 of the small business deduction, whichever is less ____ k

Total of amounts g, h, i, j, and k ____ ▶ ____ l

Amount f minus amount l (if negative, enter "0") ____ m

Accelerated tax reduction - 7% of amount m ____ n

(enter amount n on line 637 of page 7)

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] **435** H

Amount H ____ x Number of days in the taxation year in 2003 / Number of days in the taxation year ____ / 365 x 1% = ____ I

Amount H ____ x Number of days in the taxation year in 2004 / Number of days in the taxation year ____ / 365 x 2% = ____ J

Amount H ____ x Number of days in the taxation year in 2005 / Number of days in the taxation year 365 / 365 x 3% = ____ K

Amount H ____ x Number of days in the taxation year in 2006 / Number of days in the taxation year ____ / 365 x 5% = ____ L

Amount H ____ x Number of days in the taxation year after 2006 / Number of days in the taxation year ____ / 365 x 7% = ____ M

Resource deduction – total of amounts I, J, K, L, and M **438** N

(enter amount N on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 page 3 A

Amount Z from Part 9 of Schedule 27 ____ x 100 / 7 = ____ B

Amount QQ from Part 13 of Schedule 27 C

Taxable resource income from line 435 above D

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) E

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least F

Aggregate investment income from line 440 of page 6 G

Amount used to calculate the accelerated tax reduction (amount m of page 4)

Subtotal ▶ H

Amount A minus amount H (if negative, enter "0") I

General tax reduction for Canadian-controlled private corporations - Amount x 7% J

(Enter amount J on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation; and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the full tax rate of 38% (eg. deposit insurance company).

Taxable income from line 360 on page 3 M

Amount Z from Part 9 of Schedule 27 ____ x 100 / 7 = ____ N

Amount QQ from Part 13 of Schedule 27 O

Taxable resource income from line 435 above P

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) Q

Total of amounts N, O, P, and Q ▶ R

Amount M **minus** amount R (if negative, enter "0") S

General tax reduction - Amount S x 7% T

(enter amount T on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income **440** _____ X 26 2/3 % = _____ A
(Amount O from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 _____

Deduct:

Foreign investment income **445** _____ X 9 1/3 % = _____
(Amount L from Part 2 of Schedule 7) (if negative, enter "0") _____ ▶ _____ B

Amount A **minus** amount B (if negative, enter "0") _____ C

Taxable income from line 360 on page 3 12,767

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least _____ _____

Foreign non-business income tax credit from line 632 of page 7 _____ x 25/9 = _____

Foreign business income tax credit from line 636 of page 7 _____ x 3 = _____

_____ ▶ _____

12,767 X 26 2/3% = 3,405 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8) _____

Deduct: Corporate surtax from line 600 of page 7 _____

Net amount _____ ▶ _____ E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least **450** 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding tax year **460** _____

Deduct: Dividend refund for the previous tax year **465** _____

_____ ▶ _____ G

Add the total of:

Refundable portion of Part I tax from line 450 above _____

Total Part IV tax payable from line 360 on page 2 of Schedule 3 _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480** _____

_____ ▶ _____ H

Refundable dividend tax on hand at the end of the tax year - Amount G **plus** amount H **485** 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 _____ X 1/3 _____ I

Refundable dividend tax on hand at the end of the tax year from line 485 above _____ J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 — 550 — 0 — A

Corporate surtax calculation

Base amount from line A above			1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		1,277	2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environment trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)	c		
Total of lines 2 to 6		1,277	7
Net amount (line 1 minus line 7)			8

Corporate surtax - 4% of the amount on line 8 — 600 — B

Recapture of investment tax credit from line III in Part 24 of Schedule 31 — 602 — C

Calculation for the refundable tax on Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6			i
Taxable income from line 360 on page 3	12,767		
Deduct: Amount on line 400, 405, 410, or 425 of page 4, whichever is the least			
Net amount	12,767	12,767	ii

Refundable tax on CCPC's investment income – 6 2/3% of whichever is less: amount i or ii — 604 — D

Subtotal (add lines A, B, C, and D) — E

Deduct:

Small business deduction from line 430 on page 4			9
Federal tax abatement	608		
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616		
Investment corporation deduction	620		
(taxed capital gains 624)			
Additional deduction – credit unions from Schedule 17	628		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
Accelerated tax reduction from amount n of page 4	637		
Resource deduction from line 438 of page 5			10
General tax reduction for CCPCs from amount J on page 5	638		
General tax reduction from amount T on page 5	639		
Federal logging tax credit from Schedule 21	640		
Federal political contribution tax credit	644		
Federal political contributions 646			
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Apprenticeship Job Creation Tax Credit (Applicable for salaries and wages paid to qualifying apprentices on or after May 2, 2006)			
Subtotal			F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) — 0 — G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax tax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		0

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec, Ontario and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	0 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations - Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	B

Refund Code 894 Overpayment

Balance (line A minus line B) 0 I

Direct Deposit Request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid

Enclosed payment 898

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒ NA ☐

Certification

950 LEDUC (Surname) 951 NICOLE (First name) 954 Manager (Position, office or rank)

955 2011/09/14 (Date) 956 (705) 372-2815 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance

990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements			**A**	25,040
Add:				
Provision for income taxes - current	**101**	(453)		
Provision for income taxes - deferred	**102**	(22,800)		
Amortization of tangible assets	**104**	108,950		
Total of fields 101 to 199	**500**	85,697	▶	85,697
Deduct:				
Capital cost allowance - Schedule 8	**403**	96,820		
Cumulative eligible capital deduction - Schedule 10	**405**	1,150		
Total of fields 401 to 499	**510**	97,970	▶	97,970
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)				12,767

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CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	137,629					137,629	4	5,505			132,124
2	933,351	51,671			25,836	959,186	6	57,551			927,471
8	5,808	2,464			1,232	7,040	20	1,408			6,864
10	18,073					18,073	30	5,422			12,651
8	38,400	12,340			6,170	44,570	20	8,914			41,826
10	53,106					53,106	30	15,932			37,174
36	7,600					7,600					7,600
45	4,118	1,044			522	4,640	45	2,088			3,074
Totals	1,198,085	67,519			33,760	1,231,844		96,820			1,168,784

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION — Schedule 10

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")				200 16,435	A
Add: Cost of eligible capital property acquired during the taxation year	222				
Other adjustments	226				
Subtotal (line 222 plus line 226)		x 3/4 =			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	x 1/2 =			C
amount B minus amount C (if negative, enter "0")					D
Amount transferred on amalgamation or wind-up of subsidiary				224	E
Subtotal (add amounts A, D, and E)				230 16,435	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H		
Other adjustments	246		I		
(add amounts G, H, and I)		x 3/4 =		248	J
Cumulative eligible capital balance (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)				16,435	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249				
amount K 16,435					
less amount from line 249					
Current year deduction 16,435	x 7% =	250	1,150 *		
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)			1,150	1,150	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")				300 15,285	M

***** You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 – Amount to be included in income arising from disposition

Amount from line K (show as positive amount)					N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	400		1		
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)	401		2		
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402		3		
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408		4		
Line 3 minus line 4 (if negative, enter "0")			5		
Total of lines 1, 2, and 5			6		
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400			7		
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000			8		
Subtotal (line 7 plus line 8)	409		9		
Line 6 minus line 9 (if negative, enter "0")					O
Line N minus line O (if negative, enter "0")					P
Line 5		x 1/2 =			Q
Line P minus line Q (if negative, enter "0")					R
Amount R		x 66.6667			S
Amount N or amount O, whichever is less					T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)				410	

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Schedule 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Allocating the business limit

Date filed (do not use this area) **025**

Enter the calendar year to which the agreement applies **050** 2005

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** ☐ 1 Yes ☒ 2 No

	1 Names of associated corporations **100**	2 Business Number of associated corporations **200**	3 Association code **300**
1	HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBU	89053 4811 RC 0001	1
2	HEARST POWER SALES AND SERVICES COMPANY LIMITED	86368 9998 RC 0001	1

Allocate business limit using: ☒ % ☐ $

	Taxation year Start	Taxation year End	4 Business limit for the year (before allocation) $	Allocating business limit 5 Percentage of the business limit (%) **350**	6 Business limit allocated $ **400**	7 Gross Part I.3 tax for business limit reduction
1	2005/01/01	2005/12/31	300,000	100.000	300,000	
2	2005/01/01	2005/12/31	300,000			
TOTALS				100.000	A 300,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 300,000

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust) **100**	Business Number (If a corporation is not registered, enter "NR") * **200**	Social Insurance Number * **300**	Trust Number (If a trust number is not available, enter "NA") * **350**	Percentage common shares **400**	Percentage preferred shares **500**
The Corporation of the Town of Hearst	10812 7051 RC 0001			100.000	
	RC				

* For a taxation year commencing before January 1, 2004, if the shareholder is a trust, enter NR at field 200 or NA at field 300. Do not enter a trust number in field 350.

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BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Current year	Prior year
Cash and deposits	**1000**	3,930,662	3,500,898
Accounts Receivable	1060	1,910,521	1,576,860
Inventories	1120	102,177	112,925
Short term investments	1180	11,565	1,068
Taxes recoverable / refundable	1483	30,424	
Prepaid expenses	1484	14,021	14,928
Land	1600	11,832	11,832
Buildings	1680	201,570	201,570
Machinery, equipment, furniture and fixtures	1740	3,546	
Motor vehicles	1742	441,136	441,136
Small tools	1770	90,920	90,920
Computer equipment / software	1774	133,328	132,283
Other machinery and equipment	1785	2,855,772	2,801,637
Accumulated amortization of other machinery and equipment	1786	(2,729,704)	(2,622,024)
Furniture and fixtures	1787	42,162	33,369
Goodwill	2012	18,095	19,368
Other Canadian long term investments	2311	32,585	33,256
Total assets	**2599**	7,100,612	6,350,026

Liabilities	Code	Current year	Prior year
Bank overdraft	**2600**		
Amounts payable and accrued liabilities	2620	2,436,475	1,721,578
Taxes payable	2680		8,025
Due to related parties	2860	96,054	133,227
Other current liabilities	2960	55,848	
Long term debt	3140	1,700,000	1,700,000
Total liabilities	**3499**	4,288,377	3,562,830

Equity	Code	Current year	Prior year
Common shares	**3500**	10,000	10,000
Retained earnings / deficit	**3600**	2,802,235	2,777,195
Total equity	**3620**	2,812,235	2,787,195
Total liabilities and equity	**3640**	7,100,612	6,350,025

Retained earnings	Code	Current year	Prior year
Retained earnings/deficit-start	**3660**	2,777,195	2,736,220
Net income / loss	**3680**	25,040	40,975
Total retained earnings	**3849**	2,802,235	2,777,195

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INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name

0001 imited

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Current year	Prior year
Trade sales of goods and services	**8000**	9,454,671	8,449,978
Total sales of goods and services	**8089**	9,454,671	8,449,978
Investment revenue	8090	102,393	93,868
Other revenue	8230	55,324	73,132
Total revenue	**8299**	9,612,388	8,616,978

Cost of sales	Code	Current year	Prior year
Opening inventory	**8300**		
Purchases / cost of materials	8320	8,881,744	7,782,580
Cost of sales	**8518**	8,881,744	7,782,580
Gross profit / loss (item 8089 - item 8518)	**8519**	572,927	667,398

Operating expenses	Code	Current year	Prior year
Advertising and promotion	8520	1,944	290
Amortization of tangible assets	8670	108,950	131,059
Interest and bank charges	8710	7,608	5,755
Interest on long term debt	8714	15,000	50,000
Office expenses	8810	4,803	11,481
Rental	8910	8,164	8,012
Repairs and maintenance	8960	261,733	157,809
Salaries and wages	9060	191,101	198,306
Sub-contracts	9110	46,967	42,654
Supplies	9130	62,874	68,963
Other expenses	9270	19,713	109,069
Total operating expenses	**9367**	728,857	783,398
Total expenses	**9368**	9,610,601	8,565,978
Net non-farming income	**9369**	1,787	51,000

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	**9370**		
Total farm revenue	**9659**		

Farming expenses	Code	Current year	Prior year
Crop expenses	**9660**		
Total farm expenses	**9898**		
Net farm income	**9899**		
Net income / loss before taxes and extraordinary items	**9970**	1,787	51,000

Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	**9975**	-		-	
Legal settlements	**9976**	-		-	
Unrealized gains / losses	**9980**	+		+	
Unusual items	**9985**	-		-	
Current income taxes	**9990**	-	(453)	-	10,025
Future income tax provision	**9995**	-	(22,800)	-	
Net income / loss after taxes and extraordinary items	**9999**	=	25,040	=	40,975

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NOTES CHECKLIST

Schedule 141

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide.*
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation?	**095**	[X] Yes	[ ] No
Is the accounting practitioner connected* with the corporation?	**097**	[ ] Yes	[X] No

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note

If the accounting practitioner does not have a professional designation or is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: **198**

Completed an auditor's report	1	[X]
Completed a review engagement report	2	[ ]
Conducted a compilation engagement	3	[ ]

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation?	**099**	[ ] Yes	[X] No

Part 4 – Other information

Were notes to the financial statements prepared?	**101**	[X] Yes	[ ] No
If *Yes* , complete lines 102 to 107 below:			
Are any values presented at other than cost?	**102**	[ ] Yes	[X] No
Has there been a change in accounting policies since the last return?	**103**	[ ] Yes	[X] No
Are subsequent events mentioned in the notes?	**104**	[ ] Yes	[X] No
Is re-evaluation of asset information mentioned in the notes?	**105**	[ ] Yes	[X] No
Is contingent liability mentioned in the notes?	**106**	[ ] Yes	[X] No
Is information regarding commitments mentioned in the notes?	**107**	[ ] Yes	[X] No
Does the corporation have investments in joint venture(s) or partnership(s)?	**108**	[ ] Yes	[X] No
If *Yes* , complete line 109 below:			
Are you filing financial statements of the joint venture(s) or partnership(s)?	**109**	[ ] Yes	[ ] No

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2004/ 2005

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2002

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Consumer and Business Services (MCBS) **Annual Return.** Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No **Page 1 of 20**

Ministry Use

Corporation's Legal Name *(including punctuation)*
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQU

Ontario Corporations Tax Account No. (MOF)
7334207

Mailing address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

This Return covers the Taxation Year
Start 2005/01/01
End 2005/12/31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of change: year month day

Date of Incorporation or Amalgamation
2000/11/02

Registered/Head Office Address
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Ontario Corporation No. (MCBS) 7334207

Location of Books and Records
P.O. BAG 5000

City	Province	Country	Postal code
HEARST	ON	CA	P0L 1N0

Canada Customs and Revenue Agency Business No.
890534811RC0001

Name of person to contact regarding this CT23 Return: NICOLE LEDUC
Telephone No.: (705) 372-2815
Fax No.: ( ) -

Jurisdiction Incorporated: ONTARIO

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)

City	Province	Country	Postal code

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced
Ceased
☒ *Not Applicable*

Former Corporation Name (*Extra-Provincial Corporations only*) ☐ *Not Applicable* (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s): 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check 1 this box. Schedule(s) A and K are not required (MCBS). ▶ ☐ **No Change**

Preferred Language / *Langue de préférence*
☒ English *anglais* ☐ French *français*

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person
NICOLE LEDUC

Title: **D** ☐ Director **O** ☐ Officer **P** ☐ Other individual having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

This EFF Declaration must be filed for each taxation year that the corporation is exempt from filing and must be filed within 6 months after the corporation's taxation year end.

Criteria for exempt from filing status:

a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
b) had no Ontario taxable income for the taxation year (subject to the provisions in Note 2 below);
c) had no Ontario Corporations Tax payable for the taxation year;
d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act* (Canada));
e) has provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
f) is **not** subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed $5 million or whose total revenues exceed $10 million for the taxation year).

Note 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

Note 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

- If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
- If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
- If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items MUST be completed for EFF declarations only. In cases where the Annual Return, which includes page 1, is **also** being filed, completion of these fields is **not** required.

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation No. (MCBS)

3. Canada Customs and Revenue Agency Business No.
RC

I, _____ declare that:

The above corporation meets **all** of the exempt from filing criteria (a) through (f) above for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Signature	Title/Relationship to Corporation	Telephone number ( ) -	Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		
X		(a)	The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents (nearest whole percentage) 100 %
X		(b)	The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (*Refer to Guide)*
	X	(c)	The corporation is **not** a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
	X	(d)	The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution; or The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each $3,000,000 or less and the corporation is not a financial institution.
X		(e)	The corporation is **not** claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC), Graduate Transitions Tax Credit (GTTC) or Apprenticeship Training Tax Credit (ATTC).
X		(f)	The corporation's Ontario allocation factor is 100%.

Note: Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are **not** subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to a), b), c), e) and f) above.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation - Please check (1) box(es) if applicable in sections 1 & 2

1

- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (*specify*)

Share Capital with full voting rights owned by Canadian Residents. (nearest %) 100 %

2

- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp s.47
- 4 [ ] Credit Union s.51
- 5 [ ] Bank Mortgage Subsidiary s.61(4)
- 6 [ ] Bank s.1(2)
- 7 [ ] Loan and Trust Corporation s.61(4)
- 8 [ ] Non-resident Corp s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corporation s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-resident s.63(1)
- 16 [ ] Financial institution prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity
electrical utility

Please check (1) box(es) if applicable:

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- [ ] Final Taxation Year up to Dissolution (wind-up) (*Note: For discontinued businesses, see Guide*.)
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s.249(4)

Date control was acquired: _____

Was the corporation inactive throughout the taxation year?		Yes [ ]	No [X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?		Yes [X]	No [ ]
Are you requesting a refund due to:	the Carry-back of a Loss?	Yes [ ]	No [X]
	an Overpayment?	Yes [ ]	No [X]
	a Specified Refundable Tax Credit?	Yes [ ]	No [X]
Are you a Member of a Partnership or a Joint Venture?		Yes [ ]	No [X]

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From **690**	±	12,767
Subtract: Charitable donations	**1**	-	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	**2**	-	
Subtract: Taxable dividends deductible, per federal Schedule 3	**3**	-	
Subtract: Ontario political contributions *(Attach schedule* 2A) (Int.B. 3002R)	**4**	-	
Subtract: Federal Part VI.1 tax X 3	**5**	-	
Subtract: Prior years' losses applied - Non-capital losses	From **704**	-	
From **715** Net capital losses (page 16) X inclusion rate 50.000000 % =	**714**	-	
Farm losses	From **724**	-	
Restricted farm losses	From **734**	-	
Limited partnership losses	From **754**	-	
Taxable income (Non-capital loss)	**10**	=	12,767
Addition to taxable income for unused foreign tax deduction for federal purposes	**11**	+	
Adjusted taxable income 10 + **11** (if **10** is negative, enter **11**)	**20**	=	12,767

Taxable Income

Number of days in Taxation Year

					Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days				
From **10** (or **20**)	12,767	X **30**	100.0000 Ontario Allocation	% X 12.5 % X	**33**	÷	**73** 365	=	**29**	+	
					Days after Dec. 31, 2003		Total Days				
From **10** (or **20**)	12,767	X **30**	100.0000 Ontario Allocation	% X 14.0 % X	**34** 365	÷	**73** 365	=	**32**	+	1,787
Income Tax Payable (before deduction of tax credits) **29** + **32**									**40**	=	1,787

Incentive Deduction for Small Business Corporations (IDSBC)(s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (1) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		**50**	12,767
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	**51** +		
Add: Losses of other years deducted for federal purposes (fed.s.111)	**52** +		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	**53** -		
=		**54**	
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	**55** +		

Ontario Business Limit Calculation

Days after Dec. 31, 2002 and before Jan. 1, 2004

320,000 X **31** ÷ ** 365 =+ **46**

Days after Dec. 31, 2003

400,000 X **34** 365 ÷ ** 365 =+ **47** 400,000

Business limit for Ontario purposes **46** + **47** = **44** 400,000 X **48** 100.0000 % = **45** 400,000

Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated

Income eligible for the IDSBC From **30** 100.0000 % X ***Ontario Allocation **56** Least of **50**, **54** or **45** = **60**

* ***Note***: *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note***: *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note***: *Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

			Number of Days in Taxation Year							
			Days after Dec. 31, 2002 and before Jan. 1, 2004			Total Days				
	7.0 % X	**31**		÷	**73**	365	=	**89**	+	
			Days after Dec. 31, 2003			Total Days				
	8.5 % X	**34**	365	÷	**73**	365	=	**90**	+	8.5000
IDSBC Rate for Taxation Year **89** + **90**								**78**	=	8.5000
Claim	From	**60**		X From	**78**	8.5000 %		**70**	=	

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

*** Taxable Income of the corporation**	From **10** (or **20** if applicable)	**80** +	12,767
If you are a member of an associated group (1) **81** ☐ (Yes)			
Taxable income of associated corporations *(Attach schedule)*		**82** +	
Aggregate Taxable Income		**85** =	12,767

Number of days in Taxation Year

		Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days						
320,000 X	**31**		÷	**73**	365	=	**115**	+		
		Days after Dec. 31, 2003		Total Days						
400,000 X	**34**	365	÷	**73**	365	=	**116**	+	400,000	
				115 + **116**			=	400,000	**114**	- 400,000
(If negative, enter nil)									**86**	=

Calculation of Specified Rate for Surtax

				Number of Days in Taxation Year									
				Days after Dec. 31, 2002				Total Days					
		4.667% X	**38**	365	÷	**73**	365	=	**97**	+	4.6670
From	**86**	X From	**97**	4.6670	% =				**87**	=	
From	**87**	X From	**60**		÷ From	**114**	400,000		**88**	=	

Surtax: Lesser of **70** or **88** **100** =

**** Note: Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)*

110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits		**120**	+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From	**56**	-

Add: Adjustment for Surtax on Canadian-controlled private corporations

From **100** ÷ From **30** 100.0000 % ÷ From **78** 8.5000 % = **121**

*Ontario Allocation

Lesser of **56** or **121**		**122**	+
120 - **56** + **122**		**130**	=

Taxable income	From	**10**	+ 12,767
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From	**56**	-
Add: Adjustments for Surtax on Canadian-controlled private corporations	From	**122**	+
Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada		**140**	-
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses		**141**	-
10 - **56** + **122** - **140** - **141**		**142**	= 12,767

Claim

Number of Days in Taxation Year

143 X From **30** 100.0000 % X 1.5% X **33** ÷ **73** 365 = **154** +

Lesser of **130** or **142** — *Ontario Allocation — Days after Dec. 31, 2002 and before Jan. 1, 2004 — Total Days

143 X From **30** 100.0000 % X 2.0% X **34** 365 ÷ **73** 365 = **156** +

Lesser of **130** or **142** — *Ontario Allocation — Days after Dec. 31, 2003 — Total Days

M&P claim for taxation year **154** + **156** **160** =

****Note**: Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations

161 =

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity

162 =

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R) *(Attach schedule)* **170**

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit **175** Credit Claimed **180**

Subtotal of Income Tax **40** - **70** + **100** - **110** - **160** - **161** - **162** -**170** - **180**

190 = 1,787

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit from **5620** OITC Claim Form *(Attach original Claim Form)* **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit from **5798** CT23 Schedule 113 (*Attach Schedule 113*) **192** +

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production **204**
Eligible Credit from **5850** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From **6596** **194**
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.
Eligible Credit from **6598** CT23 Schedule 115 *(Attach Schedule 115)* **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form
*(Attach **both** the original Claim Form and the Certificate of Eligibility)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (*Attach the original Certificate of Eligibility*) **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit from **7300** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form
*(Attach **both** the original Claim Form and the Certificate of Eligibility)* **201** +

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From **5896** **202**
Applies to employment of eligible apprentices.
Eligible Credit from **5898** CT23 Schedule 114 (*Attach Schedule 114*) **203** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 **220** =

Specified Tax Credits *Applied to reduce Income Tax* **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** (*amount cannot be negative*) **230** = 1,787

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on **Page 17**.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8**.

Corporate Minimum Tax (CMT)

Total Assets of the corporation	**240**	+	7,100,612		
Total Revenue of the corporation				**241**	+ 9,454,671

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (1) **242** [X] (Yes)

Total Assets of associated corporations *(Attach schedule)*	**243**	+			
Total Revenue of associated corporations *(Attach schedule)*				**244**	+
Aggregate Total Assets	**249**	=	7,100,612		
Aggregate Total Revenue				**250**	= 9,454,671

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101.**

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable - CMT Base From Schedule 101	**2136**	1,787	X	From **30** 100.0000 % X 4%	**276**	=	71
		If negative, enter zero		Ontario Allocation			
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*					**277**	-	
Subtract: Income Tax				From	**190**	-	1,787
Net CMT Payable (if negative, enter Nil on page 17.)					**280**	=	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from **Page 7** to **Income Tax Summary, on Page 17**.

If **280** is less than zero and you have a CMT credit carryover, complete A & B below.

If **280** is greater than or equal to zero, transfer **230** to **Page 17** and transfer **280** to **Page 17, and** to **Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101	From	**2333**	

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)				From	**190**	+	1,787
	Gross CMT Payable	From	**276**	+ 71				
	Subtract: Foreign Tax Credit for CMT purposes	From	**277**	-				
	If **276** - **277** is negative, enter NIL in **290**			= 71 ▶		**290**	-	71
	Income Tax eligible for CMT Credit					**300**	=	1,716
B.	Income Tax (after deduction of specified credits)				From	**230**	+	1,787
	Subtract: CMT credit used to reduce income taxes					**310**	-	
	Income Tax					**320**	=	1,787

Transfer to Page 17

***If A & B apply,* 310 *cannot exceed the lesser of* 230, 300 *and your CMT credit carryover available* 2333.**

If only B applies,* 310 *cannot exceed the lesser of* 230 *and your CMT credit carryover available 2333.

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines **480** *and* **430** *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in **480** *and* **430** *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* **550** *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)		**350**	+
Retained earnings (if deficit, deduct) (Int.B. 3012R)		**351**	±
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)		**352**	+
Loans and advances *(Attach schedule)*(Int.B. 3013R)		**353**	+
Bank loans (Int.B. 3013R)		**354**	+
Bankers acceptances (Int.B. 3013R)		**355**	+
Bonds and debentures payable (Int.B. 3013R)		**356**	+
Mortgages payable (Int.B. 3013R)		**357**	+
Lien notes payable (Int.B. 3013R)		**358**	+
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)		**359**	+
Contingent, investment, inventory and similar reserves (Int.B. 3012R)		**360**	+
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)		**361**	+
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)		**362**	+
Subtotal		**370**	=
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)		**371**	-
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)		**372**	-
Total Paid-up Capital		**380**	=
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)		**381**	-
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation		**382**	-
Net Paid-up Capital		**390**	=

Eligible Investments *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)		**402**	+
Mortgages due from other corporations		**403**	+
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*		**404**	+
Loans and advances to unrelated corporations		**405**	+
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*		**406**	+
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*		**407**	+
Total Eligible Investments		**410**	=

continued on Page 10

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015R)

Total Assets per balance sheet	**420**	+	7,100,612
Mortgages or other liabilities deducted from assets	**421**	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	**422**	+	
Subtract: Investment in partnership(s)/joint venture(s)	**423**	-	
Total Assets as adjusted	**430**	=	7,100,612
Amounts in **360** and **361** (if deducted from assets)	**440**	+	
Subtract: Amounts in **371**, **372** and **381**	**441**	-	
Subtract: Appraisal surplus if booked	**442**	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	**443**	±	
Total Assets	**450**	=	7,100,612

Investment Allowance (**410** ÷ **450**) X **390** — **Not to exceed 410**	**460**	=	
Taxable Capital **390** - **460**	**470**	=	

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	9,454,671			
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*				
Aggregate of Gross Revenue	9,454,671	**480**		9,454,671
Total Assets (as adjusted)	From	**430**		7,100,612

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.*

Financial Institutions use calculations on page 13.

Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in **550** on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

5,000,000 X	**35** Days before Jan. 1, 2005 ÷	**73** Total Days 365	= **500** +	
7,500,000 X	**36** Days after Dec. 31, 2004 and before Jan.1, 2006 365 ÷	**73** Total Days 365	= **501** +	7,500,000
10,000,000 X	**37** Days after Dec. 31, 2005 and before Jan.1, 2007 ÷	**73** Total Days 365	= **502** +	
	Taxable Capital Deduction (TCD) **500 + 501 + 502**		**503** =	7,500,000

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership

C1. If **430** and **480** on page 10 are both $3,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

C2. If Taxable Capital in **470** is **equal to or less than the TCD** in **503**, enter NIL in **550** on page 12 and complete the return from that point.

C3. If Taxable Capital in **470 exceeds the TCD** in **503**, complete the following calculation and transfer the amount from **523** to **543** on page 12, and complete the return from that point.

+ From **470** _____

- From **503** _____

= **471** _____ x From **30** _____ (Ontario Allocation) x 0.3% x **555** _____ (Days in taxation year: 365 (366 if leap year). *If floating taxation year, refer to Guide.*) = **523** + _____ *Transfer to **543** on page 12 and complete the return from that point*

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either **509** or **524** and complete this section before you can calculate your Capital Tax calculation under either Section E or Section F.

D1. ☐ **509** (1 if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.
If Taxable Capital **470** on page 10 is equal to or less than the TCD **503** on page 10, enter NIL in **550** on page 12 and complete the return from that point.

If Taxable Capital **470** on page 10 exceeds the TCD **503** on page 10, proceed to **Section E**, enter the TCD amount in **542** in Section E, and complete Section E and the return from that point.

D2. ☒ **524** (1 if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital form **470** on page 10	From **470** +	

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**531** +	
Aggregate Taxable Capital **470 + 531**	**540** =	

If **540** above is equal to or less than the TCD **503** on page 10, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in **523** in section E on page 12, as applicable.
If **540** above is greater than the TCD **503** on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From **470** _____ ÷ From **540** _____ X From **503** _____ **541** =

*Transfer to **542** in Section E on page 12*

Ss.69(2.1) Election Filed

☐ **591** (1 if applicable)

Election filed. *Attach a copy of Schedule 591 with this CT23 Return*.
Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation **is** a member of an associated group and/or partnership whose total **aggregate** Taxable Capital **540** on page 11 exceeds the TCD **503** on page 10.

Complete the following calculation and transfer the amount from **523** to **543**, and complete the return from that point.

+ From **470** _____
\- **542** _____
= **471** _____ x From **30** _____ % x 0.3% x Days in the taxation year **555** _____ = **523** + **Total Capital Tax for the taxation year**

Ontario Allocation

*365 (366 if leap year)

*Transfer to **543** and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

\+ From **470** _____ X From **30** _____ x 0.3% = **561** + _____

Ontario Allocation

\- Capital tax deduction from **995** relating to **your corporation's** Capital Tax deduction, on Schedule 591 From **995** - _____

562 = _____

Capital Tax _____ **562** _____ X Days in taxation year **555** _____ = **563** + _____

*365 (366 if leap year)

*Transfer to **543** and complete the return from that point*

* *If floating taxation year, refer to Guide*

Capital Tax before application of specified credits	**543**	=
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	**546**	-
Capital Tax **543 - 546** *(amount cannot be negative)*	**550**	=

Transfer to Page 17

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

1.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ x 0.6% x From **30** _____ % x Days in taxation year **555** _____ ÷ *365 (366 if leap year) = **569** +

Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

Ontario Allocation

570 _____ x **571** _____ x From **30** _____ % x Days in taxation year **555** _____ ÷ *365 (366 if leap year) = **574** +

Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount

Capital Tax Rate *(Refer to Guide)*

Ontario Allocation

Capital Tax for Financial Institutions - other than Credit Unions (before Section 2) 569 + 574 **575** =

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** -

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (1) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** =

*Transfer to **543** on Page 12*

Premium Tax (s.74.2 & 74.3) (*Refer to Guide*)

(1) Uninsured Benefits Arrangements **587** _____ x 2% **588** =

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* **589** -

Premium Tax 588 - 589 **590** =

Transfer to Page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1	**600**	±	12,767
			Transfer to Page 15

Add:

Federal capital cost allowance	**601**	+	96,820
Federal cumulative eligible capital deduction	**602**	+	1,150
Ontario taxable capital gain	**603**	+	
Federal non-allowable reserves. Balance beginning of year	**604**	+	
Federal allowable reserves. Balance end of year	**605**	+	
Ontario non-allowable reserves. Balance end of year	**606**	+	
Ontario allowable reserves. Balance beginning of year	**607**	+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	**608**	+	
Federal resource allowance *(Refer to Guide)*	**609**	+	
Federal depletion allowance	**610**	+	
Federal foreign exploration and development expenses	**611**	+	
Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	**617**	+	
Management fees, rents, royalties and similar payments to non-arms' length non-residents			

Number of Days in Taxation Year

			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days				
612		X 5/12.5 X	**33**	÷	**73** 365	=	**633**	+	
			Days after Dec. 31, 2003		Total Days				
612		X 5/14.0 X	**34** 365	÷	**73** 365	=	**634**	+	

Total add-back amount for Management fees, etc. **633 + 634** =		**613**	+	
Federal Scientific Research Expenses claimed in year from line **460** of fed. form T661 excluding any negative amount in **473** from Ont. CT23 Schedule 161		**615**	+	
Add any negative amount in **473** from Ont. CT23 Schedule 161		**616**	+	
Federal allowable business investment loss		**620**	+	
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*		**614**	+	
Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614			= 97,970	**640** 97,970
				Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under **675**)	**650**	+	96,820
Ontario cumulative eligible capital deduction	**651**	+	1,150
Federal taxable capital gain	**652**	+	
Ontario non-allowable reserves. Balance beginning of year	**653**	+	
Ontario allowable reserves. Balance end of year	**654**	+	
Federal non-allowable reserves. Balance end of year	**655**	+	
Federal allowable reserves. Balance beginning of year	**656**	+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	**657**	+	
Ontario depletion allowance	**658**	+	
Ontario resource allowance *(Refer to Guide)*	**659**	+	
Ontario current cost adjustment *(Attach schedule)*	**661**	+	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	**675**	+	
Subtotal of deductions for this page 650 to 659 + 661 + 675	**681**		97,970
			Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net income (loss) for federal income tax purposes, per federal Schedule 1	From	**600**	±	12,767
Total of Additions on page 14	From	**640**	=	97,970

Sub Total of deductions on page 14 From **681** = 97,970

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year **662**

ONTTI Gross-up deduction calculation:

From **662** Gross-up of CCA x 100/ **30** 100.0000 (Ontario Allocation) - From **662** **663** =

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: **665** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **666** =

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: **667** x 100% x 100/ **30** 100.0000 (Ontario Allocation) **668** =

Number of Employees accommodated **669**

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures **670** x 30% x 100/ **30** 100.0000 (Ontario Allocation) **671** =

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures **672** x 15% x 100/ **30** 100.0000 (Ontario Allocation) **673** =

Ontario allowable business investment loss	**678**	+
Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161	**679**	+
Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)	**677**	+
Total of other deductions allowed by Ontario *(Attach schedule)*	**664**	+

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	=	97,970	**680**	97,970

Net income (loss) for Ontario Purposes **600** + **640** - **680**	**690**	=	12,767

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	**700** (2)	**710** (2)	**720** (2)	**730**	**740**	**750**
Add: Current year's losses (7)	**701**	**711**	**721**	**731**	**741**	**751**
Losses from predecessor corporations (3)	**702**	**712**	**722**	**732**		**752**
Subtotal	**703**	**713**	**723**	**733**	**743**	**753**
Subtract: Utilized during the year to reduce taxable income Expired during the year Carried back to prior years to reduce taxable income (5)	**704** (2)	**715** (2)(4)	**724** (2)	**734** (2)(4)	**744** (4)	**754** (4)
Subtotal	**705**		**725**	**735**	**745**	
	706 (2) To Pg 17	**716** (2) To Pg 17	**726** (2) To Pg 17	**736** (2) To Pg 17	**746**	
	707	**717**	**727**	**737**	**747**	**757**
Balance at End of Year	**709** (8)	**719**	**729**	**739**	**749**	**759**

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceeding taxation year	**817** (6)	**860** (6)		**850**	**870**
801 8th preceeding taxation year	**818** (6)	**861** (6)		**851**	**871**
802 7th preceeding taxation year	**819** (6)	**862** (6)		**852**	**872**
803 6th preceeding taxation year	**820**	**830**	**840**	**853**	**873**
804 5th preceeding taxation year 2000/12/31	**821**	**831**	**841**	**854**	**874**
805 4th preceeding taxation year 2001/12/31	**822**	**832**	**842**	**855**	**875**
806 3rd preceeding taxation year 2002/12/31	**823**	**833**	**843**	**856**	**876**
807 2nd preceeding taxation year 2003/12/31	**824**	**834**	**844**	**857**	**877**
808 1st preceeding taxation year 2004/12/31	**825**	**835**	**845**	**858**	**878**
809 Current taxation year 2005/12/31	**826**	**836**	**846**	**859**	**879**
Total	**829**	**839**	**849**	**869**	**889**

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister of Finance**.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Corporation's Account No. (MOF)	Taxation Year Ending	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			**910**	**920**	**930**	**940**
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.						
i) 3rd preceding		**901** 2002/12/31	**911**	**921**	**931**	**941**
ii) 2nd preceding		**902** 2003/12/31	**912**	**922**	**932**	**942**
iii) 1st preceding		**903** 2004/12/31	**913**	**923**	**933**	**943**
Total loss to be carried back			From **706**	From **716**	From **726**	From **736**
Balance of loss available for carry-forward			**919**	**929**	**939**	**949**

Summary

Income Tax	From **230** or	**320**	+	1,787
Corporate Minimum Tax	From	**280**	+	
Capital Tax	From	**550**	+	
Premium Tax	From	**590**	+	
Total Tax Payable		**950**	=	
Subtract: Payments		**960**	-	
Capital Gains Refund (s.48)		**965**	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		**985**	-	
Specified Tax Credits *(Refer to Guide)*		**955**	-	
Balance		**970**	=	
If payment due	Enclosed *	**990**		
If overpayment: Refund *(Refer to Guide)*		**975**	=	
Apply to		**980**		

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
NICOLE LEDUC

Title
Manager

Full Residence Address
Alexandra Street

City
Hearst

Province	Country	Postal Code
ON		P0L 1N0

Signature	Date
	2011/09/14

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Appendix 5 of 5

Financial Statements

HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2001

Collins Barrow
Gagné Gagnon Bisson Hebert
Chartered Accountants / Comptables Agréés

Collins Barrow
Gagné Gagnon Bisson Hébert
Chartered Accountants / Comptables Agrées

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AUDITORS' REPORT

To the Shareholder of Hearst Power Distribution Company Limited/
Corporation de distribution électrique de Hearst
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2001 and the statements of income and retained earnings and contributed capital for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2001 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.

Collins Barrow

Chartered Accountants
March 21, 2002
NP/ch

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an independent member of
BAKER TILLY
INTERNATIONAL

HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2001

	Budget	2001 (12 months)	2000 (2 months)
SERVICE REVENUE			
General and commercial	$ 5,608,786	$ 5,675,473	$ 1,015,955
Residential	2,196,369	2,231,687	341,530
Street lighting	86,445	76,858	11,746
	7,891,600	7,984,018	1,369,231
COST OF ENERGY	7,020,944	7,185,266	1,318,349
GROSS MARGIN	870,656	798,752	50,882
INTEREST INCOME	135,600	140,148	9,544
OTHER REVENUE	58,833	108,534	14,015
CONTRIBUTION FROM HYDRO ONE	17,026	17,026	5,675
	1,082,115	1,064,460	80,116
EXPENDITURES			
DISTRIBUTION, OPERATION AND MAINTENANCE			
Lines and feeders	186,196	165,196	26,203
Transformers	5,150	6,099	776
Meters	16,533	13,171	778
	207,879	184,466	27,757
ADMINISTRATION AND FINANCE			
Meter reading, billing and collecting	131,439	124,755	34,435
General administration	145,431	130,865	30,795
Interest on demand note	-	228,300	-
	276,870	483,920	65,230
AMORTIZATION	139,223	151,229	25,341
TOTAL EXPENDITURES	623,972	819,615	118,328
INCOME (LOSS) BEFORE INCOME TAXES	458,143	244,845	(38,212)
INCOME TAXES	-	11,115	-
NET INCOME (LOSS)	$ 458,143	$ 233,730	$ (38,212)

Collins Barrow
Gagné Gagnon Bisson Hébert
Chartered Accountants · Comptables Agréés

HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENTS OF RETAINED EARNINGS AND CONTRIBUTED CAPITAL

YEAR ENDED DECEMBER 31, 2001

	2001	2000
RETAINED EARNINGS		
Retained earnings, as previously stated	$ 1,763,423	$ 1,801,635
Prior period adjustment (note 9)	100,000	100,000
Retained earnings, as re-stated	1,863,423	1,901,635
Net income (loss)	233,730	(38,212)
Balance, end of year	$ 2,097,153	$ 1,863,423
CONTRIBUTED CAPITAL		
Balance, beginning and end of year	$ 553,783	$ 553,783

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

BALANCE SHEET

DECEMBER 31, 2001

	2001	2000 (restated note 9)
ASSETS		
CURRENT ASSETS		
Cash	$ 2,344,705	$ 2,948,386
Unbilled revenue	881,018	764,733
Accounts receivable (note 3)	95,259	144,351
Inventory	124,441	112,453
Prepaid expenses	11,630	8,996
	3,457,053	3,978,919
PRE-MARKET OPENING ENERGY VARIANCE	170,820	-
INVESTMENT (note 4)	24,000	24,000
PROPERTY AND EQUIPMENT (note 5)	1,340,208	1,446,325
OTHER ASSETS (note 6)	72,413	19,000
	$ 5,064,494	$ 5,468,244
LIABILITIES		
CURRENT LIABILITIES		
Other regulatory liabilities	$ 175,555	$ -
Accounts payable and accrued charges	163,882	905,532
Income taxes payable	615	-
Due to Town of Hearst	312,443	384,518
Demand loan (note 7)	1,700,000	1,700,000
	2,352,495	2,990,050
LONG-TERM CUSTOMER DEPOSITS	51,063	50,988
	2,403,558	3,041,038
SHAREHOLDER'S EQUITY		
CAPITAL STOCK (note 8)	10,000	10,000
RETAINED EARNINGS	2,097,153	1,863,423
CONTRIBUTED CAPITAL	553,783	553,783
	2,660,936	2,427,206
	$ 5,064,494	$ 5,468,244

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Chartered Accountants Comptables Agréés

HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

1. NATURE OF BUSINESS

The corporation owns all the electrical distribution system in the territory of the corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment, all principles employed are in accordance with Canadian generally accepted accounting principles.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.

PROPERTY AND EQUIPMENT

Amortization of property and equipment is provided on a straight-line basis over the following periods:

Building and fixtures	50 years
Overhead lines and feeders	25 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

AMORTIZATION OF ORGANIZATION COSTS

The organization costs are amortized on a straight line basis over 20 years.

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Chartered Accountants Comptables Agréés

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

AMORTIZATION OF TRANSITION COSTS

Transition costs are amortized on a straight line basis over 5 years.

3. ACCOUNTS RECEIVABLE

	2001	2000
Electrical energy	$ 76,976	$ 75,652
Others	35,283	71,960
	112,259	147,612
Allowance for doubtful accounts	17,000	3,261
	$ 95,259	$ 144,351

4. INVESTMENT

	2001	2000
Investment in Enerconnect Limited Partnership, a buying group for Municipal Electric Commissions	$ 24,000	$ 24,000

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2001 Net	2000 Net
Land	$ 7,600	$ -	$ 7,600	$ 7,600
Building and fixtures	185,770	49,404	136,366	139,812
Underground lines and feeders	1,925,267	1,148,823	776,444	822,383
Transformers	502,937	387,581	115,356	121,660
Meters	314,498	186,747	127,751	131,323
Office equipment	13,420	13,233	187	283
Automotive equipment	441,136	318,986	122,150	168,463
Computer equipment	58,397	40,863	17,534	16,520
Other equipment	96,173	61,299	34,874	36,092
Land rights	2,432	486	1,946	2,189
	$3,547,630	$2,207,422	$1,340,208	$1,446,325

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

6. OTHER ASSETS

	Cost	Accumulated Amortization	2001 Net	2000 Net
Organisation costs	$ 25,471	$ 2,284	$ 23,187	$ 19,000
Qualifying transition cost	61,533	12,307	49,226	-
	$ 87,004	$ 14,591	$ 72,413	$ 19,000

7. DEMAND LOAN

	2001	2000 (restated note 9)
The Corporation of the Town of Hearst promissory note, interest at the lesser of 12 % the net income for the year payable on a monthly basis, no fixed capital repayment	$ 1,700,000	$ 1,700,000

8. CAPITAL STOCK

	2001	2000
AUTHORIZED		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
ISSUED		
10,000 common shares	$ 10,000	$ 10,000

9. CONTINGENCY

The Ontario Energy Board currently requires that a power purchase variance account be recorded by the Corporation representing the difference between the utility's purchased cost of power based on time-of-use and the amounts billed to non time-of-use customers. As at December 31, 2001, the power purchase variance amounted to 57,677$ including 978$ interest.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

10. PRIOR PERIOD ADJUSTMENT

Following the finalization of the reorganization process, part of the money recorded as demand loan was deemed belonging to Hearst Power Sales and Services Company Limited/Corporation de Services et Ventes d'énergie de Hearst as described in the Final by-law. Accordingly, $ 100,000 was reduced from the demand loan and added to the retained earnings.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2003

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AUDITORS' REPORT

To the Shareholder of Hearst Power Distribution Company Limited/
Corporation de distribution électrique de Hearst
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2003 and the statements of income and retained earnings and contributed capital for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2003 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.

Collins Barrow

Chartered Accountants
March 30, 2004
ML/ajc

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

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DECEMBER 31, 2003

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2003

	Budget	2003 Actual	2002 Actual
SERVICE REVENUE			
Electricity	$ 5,841,876	$ 5,481,403	$ 7,392,237
Distribution	591,636	639,722	693,289
Wholesale market services, transmission and connection	1,864,667	1,722,047	1,081,310
	8,298,179	7,843,172	9,166,836
COST OF SALES			
Electricity	5,926,875	5,591,257	7,376,424
Wholesale market services	1,797,298	1,719,586	1,149,203
	7,724,173	7,310,843	8,525,627
GROSS MARGIN	574,006	532,329	641,209
INTEREST INCOME	72,580	97,991	76,921
OTHER REVENUE	45,915	58,385	60,955
	692,501	688,705	779,085
EXPENDITURES			
DISTRIBUTION, OPERATION AND MAINTENANCE			
Lines and feeders	153,534	175,428	176,034
Transformers	3,365	4,639	4,244
Meters	10,370	11,060	9,369
	167,269	191,127	189,647
ADMINISTRATION AND FINANCE			
Meter reading, billing and collecting	164,341	143,162	163,187
General administration	178,961	148,925	165,111
Interest on demand note	-	37,495	-
	343,302	329,582	328,298
AMORTIZATION	172,019	167,996	172,927
TOTAL EXPENDITURES	682,590	688,705	690,872
INCOME BEFORE INCOME TAXES	9,911	-	88,213
INCOME TAXES	2,081	-	6,176
NET INCOME	$ 7,830	$ -	$ 82,037

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF RETAINED EARNINGS AND CONTRIBUTED CAPITAL

YEAR ENDED DECEMBER 31, 2003

	2003	2002
RETAINED EARNINGS		
Balance, beginning of year	$ 2,180,207	$ 2,098,170
Net income	-	82,037
Balance, end of year	$ 2,180,207	$ 2,180,207
CONTRIBUTED CAPITAL		
Balance, beginning and end of year	$ 553,783	$ 553,783

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

BALANCE SHEET

DECEMBER 31, 2003

	2003	2002
ASSETS		
CURRENT ASSETS		
Cash	$ 3,085,222	$ 2,341,379
Unbilled revenue	910,183	932,112
Accounts receivable (note 3)	657,967	895,443
Income taxes recoverable	31,500	36,352
Inventory	118,956	110,610
Prepaid expenses	13,171	12,370
	4,816,999	4,328,266
PRE-MARKET OPENING ENERGY VARIANCE	50,926	47,375
INVESTMENT (note 4)	24,000	24,000
PROPERTY AND EQUIPMENT (note 5)	1,174,223	1,258,419
OTHER ASSETS (note 6)	88,673	116,726
	$ 6,154,821	$ 5,774,786
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	$ 1,466,660	$ 1,053,798
Other regulatory liabilities	71,045	67,494
Due to Town of Hearst	115,749	149,601
Demand loan (note 8)	1,700,000	1,700,000
	3,353,454	2,970,893
LONG-TERM CUSTOMER DEPOSITS	57,377	59,903
	3,410,831	3,030,796
SHAREHOLDER'S EQUITY		
CAPITAL STOCK (note 9)	10,000	10,000
RETAINED EARNINGS	2,180,207	2,180,207
CONTRIBUTED CAPITAL	553,783	553,783
	2,743,990	2,743,990
	$ 6,154,821	$ 5,774,786

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2003

	2003	2002
OPERATING ACTIVITIES		
Net income	$ -	$ 82,037
Items not requiring cash:		
Amortization	167,996	172,927
	167,996	254,964
Changes in:		
Unbilled revenue	21,929	(51,094)
Accounts receivable	237,476	(800,184)
Income taxes recoverable	4,852	(35,950)
Inventory	(8,346)	13,831
Prepaid expenses	(801)	(740)
Pre market opening energy variance	(3,551)	123,445
Other regulatory liabilities	3,551	(108,061)
Accounts payable and accrued charges	412,862	889,916
Due to Town of Hearst	(33,852)	(162,843)
	802,116	123,284
INVESTING ACTIVITIES		
Purchase of property and equipment	(56,837)	(63,084)
Purchase of other assets	-	(72,366)
Proceeds from sale of property and equipment	1,090	-
	(55,747)	(135,450)
FINANCING ACTIVITIES		
Change in customer deposits	(2,526)	8,840
INCREASE (DECREASE) IN CASH POSITION	743,843	(3,326)
CASH POSITION, BEGINNING OF YEAR	641,379	644,705
CASH POSITION, END OF YEAR (note 10)	$ 1,385,222	$ 641,379

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

1. NATURE OF BUSINESS

The corporation owns all the electrical distribution system in the territory of the Corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment, all principles employed are in accordance with Canadian generally accepted accounting principles.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.

PROPERTY AND EQUIPMENT

Amortization of property and equipment is provided on a straight-line basis over the following periods:

Building and fixtures	50 years
Overhead lines and feeders	25 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

AMORTIZATION OF ORGANIZATION COSTS

The organization costs are amortized on a straight line basis over 20 years.

AMORTIZATION OF TRANSITION COSTS

Transition costs are amortized on a straight line basis over 5 years.

FUTURE INCOME TAXES

Income taxes are provided, at current rates, for all items included in the statement of income regardless of the period in which such items are reported for income tax purposes. The principal item which results in timing differences between financial and tax reporting purposes is amortization. Future income taxes are adjusted for changes in income tax rates.

USE OF ESTIMATES

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

3. ACCOUNTS RECEIVABLE

	2003	2002
Electrical energy	$ 499,544	$ 733,433
Others	166,772	174,224
	666,316	907,657
Allowance for doubtful accounts	8,349	12,214
	$ 657,967	$ 895,443

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

4. INVESTMENT

	2003	2002
Investment in Enerconnect Limited Partnership, a buying group for Municipal Electric Commissions	$ 24,000	$ 24,000

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2003 Net	2002 Net
Land	$ 7,600	$ -	$ 7,600	$ 7,600
Building and fixtures	185,770	56,296	129,474	132,920
Underground lines and feeders	1,935,257	1,256,195	679,062	731,112
Transformers	508,705	403,954	104,751	110,112
Meters	320,900	208,606	112,294	120,894
Office equipment	30,472	16,238	14,234	11,841
Automotive equipment	441,136	406,717	34,419	75,836
Computer equipment	126,970	72,965	54,005	28,897
Other equipment	107,218	70,293	36,925	37,505
Land rights	2,432	973	1,459	1,702
	$ 3,666,460	$ 2,492,237	$ 1,174,223	$ 1,258,419

6. OTHER ASSETS

	Cost	Accumulated Amortization	2003 Net	2002 Net
Organisation costs	$ 25,471	$ 4,830	$ 20,641	$ 21,914
Qualifying transition cost	133,899	65,867	68,032	94,812
	$ 159,370	$ 70,697	$ 88,673	$ 116,726

7. BANK INDEBTEDNESS

The corporation has an approved line of credit of 300,000$, at prime, secured by a general security agreement on all of the company's assets.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

8. DEMAND LOAN

	2003	2002
The Corporation of the Town of Hearst promissory note, interest at the lesser of 12 % and the net income for the year payable on a monthly basis, no fixed capital repayment	$ 1,700,000	$ 1,700,000

9. CAPITAL STOCK

	2003	2002
AUTHORIZED		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
ISSUED		
10,000 common shares	$ 10,000	$ 10,000

10. STATEMENT OF CASH FLOW

CASH POSITION

Cash position consists of cash on hand, balances with banks and the demand loan with the Town of Hearst and is comprised of the following balance sheet amounts:

	2003	2002
Cash	$ 3,085,222	$ 2,341,379
Demand loan	(1,700,000)	(1,700,000)
	$ 1,385,222	$ 641,379

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

11. RELATED PARTY TRANSACTIONS

During the year, the company incurred the following related party transactions with its sole shareholder, the Corporation of the Town of Hearst.

Service revenue	$	343,467
Rent		3,967
Clerical and answering services		25,115
Interest on demand loan		37,495

These transactions are in the normal courses of operations and are measured at the exchange amount which is received and paid on similar terms as those of unrelated parties.

12. FINANCIAL INSTRUMENTS

The company's financial instruments consists of cash, accounts receivable, temporary and long-term investments, demand loan, accounts payable and accrued changes, amounts due to related parties. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximated their carrying values, unless otherwise noted.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2004

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AUDITORS' REPORT

To the Shareholder of Hearst Power Distribution Company Limited/
Corporation de distribution électrique de Hearst
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2004 and the statements of income, retained earnings and contributed capital and cash flow for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2004 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.

Collins Barrow

Chartered Accountants
April 6, 2005
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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

FINANCIAL STATEMENTS

DECEMBER 31, 2004

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2004

	Budget	2004 Actual	2003 Actual
SERVICE REVENUE			
Electricity	$ 6,511,713	$ 6,009,684	$ 5,562,983
Distribution	638,029	641,277	639,722
Wholesale market services, transmission and connection	1,864,195	1,799,017	1,722,047
	9,013,937	8,449,978	7,924,752
COST OF SALES			
Electricity	6,511,713	5,989,552	5,591,257
Wholesale market services	1,864,195	1,793,028	1,719,586
	8,375,908	7,782,580	7,310,843
GROSS MARGIN	638,029	667,398	613,909
INTEREST INCOME	71,583	93,868	97,991
OTHER REVENUE	44,613	73,132	60,615
	754,225	834,398	772,515
EXPENDITURES			
DISTRIBUTION, OPERATION AND MAINTENANCE			
Lines and feeders	170,937	208,155	175,428
Transformers	3,988	4,164	4,639
Meters	10,249	12,083	11,060
	185,174	224,402	191,127
ADMINISTRATION AND FINANCE			
Meter reading, billing and collecting	112,040	121,692	143,162
General administration	198,542	168,675	148,925
Interest on demand note	-	50,000	37,495
	310,582	340,367	329,582
TRANSFORMER ALLOWANCE	85,000	87,570	81,580
AMORTIZATION	153,608	131,059	167,996
TOTAL EXPENDITURES	734,364	783,398	770,285
INCOME BEFORE INCOME TAXES	19,861	51,000	2,230
INCOME TAXES	4,369	10,025	-
NET INCOME	$ 15,492	$ 40,975	$ 2,230

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF RETAINED EARNINGS AND CONTRIBUTED CAPITAL

YEAR ENDED DECEMBER 31, 2004

	2004	2003
RETAINED EARNINGS		
BALANCE, BEGINNING OF YEAR	$ 2,182,437	$ 2,180,207
NET INCOME	40,975	2,230
BALANCE, END OF YEAR	$ 2,223,412	$ 2,182,437
CONTRIBUTED CAPITAL		
BALANCE, BEGINNING AND END OF YEAR	$ 553,783	$ 553,783

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

BALANCE SHEET

DECEMBER 31, 2004

	2004	2003
ASSETS		
CURRENT ASSETS		
Cash	$ 3,500,898	$ 3,085,222
Unbilled revenue	1,016,825	910,183
Accounts receivable (note 3)	560,035	725,999
Income taxes recoverable	-	31,500
Inventory	112,925	118,956
Prepaid expenses	14,928	13,171
	5,205,611	4,885,031
PRE-MARKET OPENING ENERGY VARIANCE	1,068	6,940
INVESTMENT (note 4)	33,256	24,000
PROPERTY AND EQUIPMENT (note 5)	1,090,723	1,174,223
OTHER ASSETS (note 6)	19,368	20,641
	$ 6,350,026	$ 6,110,835
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	$ 1,656,294	$ 1,466,660
Income taxes payable	8,025	-
Other regulatory liabilities	18,957	24,829
Due to Town of Hearst	133,227	115,749
Demand loan (note 8)	1,700,000	1,700,000
Customers deposits	46,328	57,377
	3,562,831	3,364,615
SHAREHOLDER'S EQUITY		
CAPITAL STOCK (note 9)	10,000	10,000
RETAINED EARNINGS	2,223,412	2,182,437
CONTRIBUTED CAPITAL	553,783	553,783
	2,787,195	2,746,220
	$ 6,350,026	$ 6,110,835

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2004

	2004	2003
OPERATING ACTIVITIES		
Net income	$ 40,975	$ 2,230
Items not requiring cash:		
Amortization	131,059	167,996
	172,034	170,226
Changes in:		
Unbilled revenue	(106,642)	21,929
Accounts receivable	165,964	237,476
Income taxes recoverable/payable	39,525	4,852
Inventory	6,031	(8,346)
Prepaid expenses	(1,757)	(801)
Pre market opening energy variance	5,872	40,435
Other regulatory liabilities	(5,872)	(42,665)
Accounts payable and accrued charges	189,634	412,862
Due to Town of Hearst	17,478	(33,852)
Change in customers deposits	(11,049)	(2,526)
	471,218	799,590
INVESTING ACTIVITIES		
Purchase of property and equipment	(46,287)	(56,837)
Purchase of investment	(9,255)	-
Proceeds from sale of property and equipment	-	1,090
	(55,542)	(55,747)
INCREASE IN CASH POSITION	415,676	743,843
CASH POSITION, BEGINNING OF YEAR	1,385,222	641,379
CASH POSITION, END OF YEAR (note 10)	$ 1,800,898	$ 1,385,222

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

1. NATURE OF BUSINESS

The corporation owns all the electrical distribution system in the territory of the Corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment, all principles employed are in accordance with Canadian generally accepted accounting principles.

REVENUE RECOGNITION

Revenue from the sale of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.

PROPERTY AND EQUIPMENT

Amortization of property and equipment is provided on a straight-line basis over the following periods:

Building and fixtures	50 years
Overhead lines and feeders	25 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

AMORTIZATION OF ORGANIZATION COSTS

The organization costs are amortized on a straight line basis over 20 years.

CUSTOMERS DEPOSITS

Customers' advance deposits are cash collections from customers to mitigate the financial risk of non-payment of energy bills. Security deposits are refunded on customers account when a customer is deemed to have maintained a good payment history during the relevant time period set out in the customer security deposit policy.

USE OF ESTIMATES

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

3. ACCOUNTS RECEIVABLE

	2004	2003
Electrical energy	$ 377,257	$ 499,544
Others	185,632	234,804
	562,889	734,348
Allowance for doubtful accounts	2,854	8,349
	$ 560,035	$ 725,999

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

4. INVESTMENT

	2004	2003
Investment in Enerconnect Limited Partnership, a buying group for Municipal Electric Commissions		
Original cost	$ 24,000	$ 24,000
Share of limited partnership income	9,256	-
	$ 33,256	$ 24,000

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2004 Net	2003 Net
Land	$ 7,600	$ -	$ 7,600	$ 7,600
Building and fixtures	201,570	60,058	141,512	129,474
Underground lines and feeders	1,938,142	1,310,193	627,949	679,062
Transformers	514,149	412,438	101,711	104,751
Meters	322,358	219,644	102,714	112,294
Office equipment	33,369	18,232	15,137	14,234
Automotive equipment	441,136	435,250	5,886	34,419
Computer equipment	132,283	90,061	42,222	54,005
Other equipment	117,908	74,752	43,156	36,925
Land rights	4,232	1,396	2,836	1,459
	$ 3,712,747	$ 2,622,024	$ 1,090,723	$ 1,174,223

6. OTHER ASSETS

	Cost	Accumulated Amortization	2004 Net	2003 Net
Organisation costs	$ 25,471	$ 6,103	$ 19,368	$ 20,641

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

7. BANK INDEBTEDNESS

The corporation has an approved line of credit of 300,000$, at prime, secured by a general security agreement on all of the company's assets.

8. DEMAND LOAN

	2004	2003
The Corporation of the Town of Hearst, promissory note, interest at the lesser of 12 % or a part of the net income for the year, payable on a monthly basis, no fixed capital repayment	$ 1,700,000	$ 1,700,000

9. CAPITAL STOCK

	2004	2003
AUTHORIZED		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
ISSUED		
10,000 common shares	$ 10,000	$ 10,000

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

10. STATEMENT OF CASH FLOW

CASH POSITION

Cash position consists of cash on hand, balances with banks and the demand loan with the Town of Hearst and is comprised of the following balance sheet amounts:

	2004	2003
Cash	$ 3,500,898	$ 3,085,222
Demand loan	(1,700,000)	(1,700,000)
	$ 1,800,898	$ 1,385,222

INTEREST AND INCOME TAXES

Cash payments were made for the following items:

	2004	2003
Interest	$ 55,757	$ 45,294
Income taxes	2,000	31,500
	$ 57,757	$ 76,794

11. RELATED PARTY TRANSACTIONS

During the year, the company incurred the following related party transactions with its sole shareholder, the Corporation of the Town of Hearst.

	2004	2003
Service revenue	$ 456,077	$ 343,467
Rent	8,012	3,967
Clerical and answering services	23,259	25,115
Interest on demand loan	50,000	37,495

These transactions are in the normal courses of operations and are measured at the exchange amount which is received and paid on similar terms as those of unrelated parties.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

12. COMPARATIVE FINANCIAL STATEMENTS

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

13. FINANCIAL INSTRUMENTS

The company's financial instruments consists of cash, accounts receivable, temporary and long-term investments, demand loan, accounts payable and accrued changes, amounts due to related parties. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximated their carrying values, unless otherwise noted.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2005

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AUDITORS' REPORT

To the Shareholder of Hearst Power Distribution Company Limited/
Corporation de distribution électrique de Hearst
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2005 and the statements of income, retained earnings and contributed capital and cash flow for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2005 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.

Collins Barrow

Chartered Accountants
March 26, 2006
MLM/lm

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

FINANCIAL STATEMENTS

DECEMBER 31, 2005

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2005

	Budget	2005 Actual	2004 Actual
SERVICE REVENUE			
Electricity	$ 6,023,287	$ 6,962,269	$ 6,009,684
Distribution	600,533	640,752	641,277
Wholesale market services, transmission and connection	1,911,617	1,851,650	1,799,017
	8,535,437	9,454,671	8,449,978
COST OF SALES			
Electricity	6,116,537	7,017,548	5,989,552
Wholesale market services	1,765,233	1,864,196	1,793,028
	7,881,770	8,881,744	7,782,580
GROSS MARGIN	653,667	572,927	667,398
INTEREST INCOME	84,000	102,393	93,868
OTHER REVENUE	39,992	55,324	73,132
	777,659	730,644	834,398
EXPENDITURES DISTRIBUTION, OPERATION AND MAINTENANCE			
Lines and feeders	185,540	205,966	208,155
Transformers	87,900	92,621	91,734
Meters	10,022	8,197	12,083
	283,462	306,784	311,972
ADMINISTRATION AND FINANCE			
Meter reading, billing and collecting	115,294	122,817	121,692
General administration	218,672	175,306	168,675
Interest on demand note	-	15,000	50,000
	333,966	313,123	340,367
AMORTIZATION	138,603	108,950	131,059
TOTAL EXPENDITURES	756,031	728,857	783,398
INCOME BEFORE PAYMENTS IN LIEU OF INCOME TAXES	21,628	1,787	51,000
PAYMENTS IN LIEU OF INCOME TAXES (RECOVERY)			
Current	-	(453)	10,025
Future	-	(22,800)	-
	21,628	(23,253)	10,025
NET INCOME	$ 21,628	$ 25,040	$ 40,975

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF RETAINED EARNINGS AND CONTRIBUTED CAPITAL

YEAR ENDED DECEMBER 31, 2005

	2005	2004
RETAINED EARNINGS		
BALANCE, BEGINNING OF YEAR	$ 2,223,412	$ 2,182,437
NET INCOME	25,040	40,975
BALANCE, END OF YEAR	$ 2,248,452	$ 2,223,412
CONTRIBUTED CAPITAL		
BALANCE, BEGINNING AND END OF YEAR	$ 553,783	$ 553,783

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

BALANCE SHEET

DECEMBER 31, 2005

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash	$ 3,930,662	$ 3,500,898
Unbilled revenue	1,233,530	1,016,825
Accounts receivable (note 3)	676,991	560,035
Income taxes recoverable	7,624	-
Inventory	102,177	112,925
Prepaid expenses	14,021	14,928
Future income taxes	22,800	-
	5,987,805	5,205,611
PRE-MARKET OPENING ENERGY VARIANCE	11,565	1,068
INVESTMENT (note 4)	32,585	33,256
PROPERTY AND EQUIPMENT (note 5)	1,050,562	1,090,723
OTHER ASSETS (note 6)	18,095	19,368
	$ 7,100,612	$ 6,350,026
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges	$ 2,436,475	$ 1,656,294
Income taxes payable	-	8,025
Other regulatory liabilities	12,158	18,957
Due to Town of Hearst	96,054	133,227
Demand loan (note 8)	1,700,000	1,700,000
Customers deposits	43,690	46,328
	4,288,377	3,562,831
SHAREHOLDER'S EQUITY		
CAPITAL STOCK (note 9)	10,000	10,000
RETAINED EARNINGS	2,248,452	2,223,412
CONTRIBUTED CAPITAL	553,783	553,783
	2,812,235	2,787,195
	$ 7,100,612	$ 6,350,026

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2005

	2005	2004
OPERATING ACTIVITIES		
Net income	$ 25,040	$ 40,975
Items not requiring cash:		
Amortization	108,950	131,059
Future income taxes	(22,800)	-
	111,190	172,034
Changes in:		
Unbilled revenue	(216,705)	(106,642)
Accounts receivable	(116,956)	165,964
Income taxes recoverable/payable	(15,649)	39,525
Inventory	10,748	6,031
Prepaid expenses	907	(1,757)
Pre market opening energy variance	(10,497)	5,872
Accounts payable and accrued charges	780,181	189,634
Other regulatory liabilities	(6,799)	(5,872)
Due to Town of Hearst	(37,170)	17,478
Change in customers deposits	(2,638)	(11,049)
	496,612	471,218
INVESTING ACTIVITIES		
Purchase of property and equipment	(67,519)	(46,287)
Disposal (purchase) of investment	671	(9,255)
	(66,848)	(55,542)
INCREASE IN CASH POSITION	429,764	415,676
CASH POSITION, BEGINNING OF YEAR	1,800,898	1,385,222
CASH POSITION, END OF YEAR (note 10)	$ 2,230,662	$ 1,800,898

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

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1. NATURE OF BUSINESS

The corporation, incorporated under the Ontario Business Corporations Act, owns all the electrical distribution system in the territory of the Corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

RATE REGULATED ENTITY

The Ontario Energy Board (OEB) has regulatory oversight of electricity matters in the Province of Ontario. Among other duties, the Board has the authority to issue distribution licences along with conditions pertaining to accounting records and filing requirements for rate setting purposes.

All energy has to be purchased through Independent Electricity System Operations (IESO) in a weighted average basis whereas the price paid for the electricity is based on the market price adjusted for the peak periods of demand.

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2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment and the principles explained under the heading regulation, all principles employed are in accordance with Canadian generally accepted accounting principles.

REVENUE RECOGNITION

Revenue from the sale of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PROPERTY AND EQUIPMENT

Amortization of property and equipment is provided on a straight-line basis over the following periods:

Building and fixtures	50 years
Overhead lines and feeders	25 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

AMORTIZATION OF ORGANIZATION COSTS

The organization costs are amortized on a straight line basis over 20 years.

CUSTOMERS DEPOSITS

Customers' advance deposits are cash collections from customers to mitigate the financial risk of non-payment of energy bills. Security deposits are refunded on customers account when a customer is deemed to have maintained a good payment history during the relevant time period set out in the customer security deposit policy.

INCOME TAXES

A municipal electric utility is exempt from tax under subsection 149 (1) of the Income Tax Act. Under the Electricity Act of 1998, municipal electric utilities have to make payments in lieu of taxes (PILS) to the province. These payments are generally equivalent to the income taxes that would be otherwise due if the municipal electric utility would have been taxable as a small business corporation under the Income Tax Act.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FUTURE INCOME TAXES

Income taxes are provided, at current rates, for all items included in the statement of income regardless of the period in which such items are reported for income tax purposes. The principal item which results in timing differences between financial and tax reporting purposes is amortization. Future income taxes are adjusted for changes in income tax rates.

EMPLOYEE FUTURE BENEFITS

The company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System (OMERS), a defined benefit plan established by the province. Both employers and employees are required to make contributions to the plan. The corporation's yearly contributions are expensed unless otherwise provided.

INVESTMENT

The investment in the buying group is recorded using the cost method. Yearly distributions from the investment are recorded as an increase in the assets and corresponding other income credit.

REGULATION

The entity has to follow regulatory accounting treatments that differ from Canadian generally accepted accounting policies for enterprises operating in non regulated environment.

Transition costs: certain costs to set up the company have been deferred in accordance with OEB guidelines. These costs have been increased for the prescribed OEB rate of return with an offsetting interest income credit.

Pre-market opening energy variance: this asset represents the utility's cost of power based on time-of-use rates and the amounts billed to non time-of-use customers. These costs have been increased for the prescribed OEB rate of return with an affecting interest income credit.

Other regulatory assets: OEB has allowed the deferral of their annual costs assessments. These costs will be subject to recovery starting in 2006 subject to OEB approval.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

USE OF ESTIMATES

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

3. ACCOUNTS RECEIVABLE

	2005	2004
Electrical energy	$ 247,106	$ 377,257
Qualifying transition costs	101,686	75,418
Other regulatory assets	207,766	1,989
Others	123,126	108,225
	679,684	562,889
Allowance for doubtful accounts	2,693	2,854
	$ 676,991	$ 560,035

4. INVESTMENT

	2005	2004
Investment in Enerconnect Limited Partnership, a buying group for Municipal Electric Commissions		
Original cost	$ 24,000	$ 24,000
Share of limited partnership income	8,585	9,256
	$ 32,585	$ 33,256

The fair market value of the investment is not available.

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2005 Net	2004 Net
Land	$ 7,600	$ -	$ 7,600	$ 7,600
Building and fixtures	201,570	63,820	137,750	141,512
Underground lines and feeders	1,979,561	1,363,640	615,921	627,949
Transformers	523,507	421,394	102,113	101,711
Meters	323,252	230,663	92,589	102,714
Office equipment	42,163	21,106	21,057	15,137
Automotive equipment	441,136	441,136	-	5,886
Computer equipment	133,281	107,366	25,915	42,222
Other equipment	123,917	78,713	45,204	43,156
Land rights	4,232	1,819	2,413	2,836
	$ 3,780,219	$ 2,729,657	$ 1,050,562	$ 1,090,723

6. OTHER ASSETS

	Cost	Accumulated Amortization	2005 Net	2004 Net
Organisation costs	$ 25,471	$ 7,376	$ 18,095	$ 19,368

7. BANK INDEBTEDNESS

The corporation has an approved line of credit of 300,000$, at prime, secured by a general security agreement on all of the company's assets.

8. DEMAND LOAN

	2005	2004
The Corporation of the Town of Hearst, promissory note, interest at the lesser of 12 % or a part of the net income for the year, payable on a monthly basis, no fixed capital repayment	$ 1,700,000	$ 1,700,000

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HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

9. CAPITAL STOCK

	2005	2004
AUTHORIZED		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
ISSUED		
10,000 common shares	$ 10,000	$ 10,000

10. STATEMENT OF CASH FLOW

CASH POSITION

Cash position consists of cash on hand, balances with banks and the demand loan with the Town of Hearst and is comprised of the following balance sheet amounts:

	2005	2004
Cash	$ 3,930,662	$ 3,500,898
Demand loan	(1,700,000)	(1,700,000)
	$ 2,230,662	$ 1,800,898

INTEREST AND INCOME TAXES

Cash payments were made for the following items:

	2005	2004
Interest	$ 60,531	$ 5,757
Income taxes	18,025	2,000
	$ 78,556	$ 7,757

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

11. RELATED PARTY TRANSACTIONS

During the year, the company incurred the following related party transactions with its sole shareholder, the Corporation of the Town of Hearst.

	2005	2004
Service revenue	$ 470,208	$ 456,077
Rent expense	8,164	8,012
Clerical and answering services expense	24,002	23,259
Interest on demand loan	-	50,000

These transactions are in the normal courses of operations and are measured at the exchange amount which is received and paid on similar terms as those of unrelated parties.

12. FINANCIAL INSTRUMENTS

The company's financial instruments consists of cash, accounts receivable, temporary and long-term investments, demand loan, accounts payable and accrued changes, amounts due to related parties. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximated their carrying values, unless otherwise noted.

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